

## ADDITIONAL CLERKS TO SENATORS.

Mr. FESS. Out of order, I ask unanimous consent to report from the Committee to Control and Audit the Contingent Expenses of the Senate Resolution No. 161, with an amendment in the nature of a substitute.

Mr. REED of Pennsylvania. I ask unanimous consent for the immediate consideration of the resolution.

The PRESIDING OFFICER. The Senator from Pennsylvania asks unanimous consent for the immediate consideration of the resolution.

Mr. WARREN. If it will involve no debate, I shall offer no objection to the consideration of the resolution.

Mr. REED of Pennsylvania. I do not think it will lead to any debate.

Mr. McKELLAR. Let the resolution be read.

The PRESIDING OFFICER. The resolution will be read as proposed to be amended.

The reading clerk read the substitute reported for the resolution (S. Res. 161) submitted by Mr. REED of Pennsylvania on February 15, 1924, as follows:

## Senate Resolution 161.

*Resolved*, That to each Senator (other than chairmen of committees to which additional clerks have been assigned) from a State having a population in 1920 of more than 8,000,000 persons there shall be allowed a special assistant clerk, to be paid at the rate of \$2,400 per year. The salaries of such clerks shall be paid from the contingent fund of the Senate. Such clerkships shall continue during the Sixty-eighth Congress.

The PRESIDING OFFICER. The Senator from Pennsylvania [Mr. REED] has asked unanimous consent for the present consideration of the resolution.

Mr. OVERMAN. I do not exactly understand the resolution.

Mr. HARRISON. Mr. President—

The PRESIDING OFFICER. Does the Senator from Mississippi object to the present consideration of the resolution?

Mr. HARRISON. I think the resolution had better go over until to-morrow.

The PRESIDING OFFICER. Objection to the consideration of the resolution is heard.

Mr. HARRISON. I may say in this connection that in the matter of clerks for Senators there should not be any distinction made.

Mr. McKELLAR. I wish to say in reference to the matter, if the Senator will excuse me, that I am a member of the Committee to Audit and Control the Contingent Expenses of the Senate, and I am quite sure the resolution was unanimously reported by the committee. I know I supported the resolution in committee for this reason: The States of New York and Pennsylvania have enormous populations, and we all know the burdens which are placed upon Senators coming from the large States. There is now a distinction made between Senators who are chairmen of great committees and other Senators. The chairmen of those committees have an additional clerk, and it should be so. Therefore, I am willing, as a matter of right, to recognize the fact that a Senator from Pennsylvania or a Senator from New York or a Senator from any other extraordinarily large State should be furnished with a sufficient number of clerks.

If their constituents write to them in the same proportion that my constituents write to me, I am sure an additional clerk will be none too many.

Mr. REED of Pennsylvania. Mr. President, I agreed when I asked unanimous consent that if the resolution led to debate I would withdraw the request for present consideration, but may I say to the Senator from Mississippi that the resolution applies only to three Senators, each of whom represents in part a State of over 8,000,000 population. It is not for our sake, but it is for the sake of the young women in our offices who now are working far into the night in the effort to keep up with the correspondence, and they are beginning to break down; that is the plain truth about it.

Mr. OVERMAN. How long will the additional clerks hold under this resolution?

Mr. REED of Pennsylvania. During the present Congress only. I hope the Senator from Mississippi will not press his objection.

Mr. HARRISON. Mr. President, this is a matter that is new; the clerks contemplated have not been provided heretofore. There are very few Senators present, and it seems to me that the resolution ought not to be brought up here and acted upon at the last moment of the day's session. I ask that the resolution go over.

The PRESIDING OFFICER. Objection is made, and the resolution goes over.

## PUBLICITY OF CERTAIN INCOME-TAX RETURNS.

Mr. McKELLAR. Now, I ask unanimous consent for the immediate consideration of the resolution which I have submitted. I have amended the original resolution which the Senate has heretofore adopted in order to make it conform to the opinion of the Acting Attorney General.

The PRESIDING OFFICER. The Secretary will read the resolution for information.

The reading clerk read the resolution (S. Res. 185) as follows:

*Resolved*, That the President of the United States be, and he is hereby, respectfully requested to direct the Secretary of the Treasury to permit the inspection by the Public Lands and Surveys Committee of the Senate, as by law he is authorized to do, of all income-tax returns filed by H. F. Sinclair, the Sinclair Consolidated Oil Co., the Mammoth Oil Co., the Hyva Corporation, the Selah Corporation, E. L. Doheny, E. L. Doheny, jr., the Securities Investment Co., the Mexican Petroleum Co., the Pan American Petroleum & Transport Co., and A. B. Fall, together with all files, claims, papers, settlements, reports, formal and informal, adjustments, memoranda of refunds, and all other files and data attached thereto or connected therewith.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

The resolution was considered by unanimous consent and agreed to.

## TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATIONS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 6349) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1925, and for other purposes.

The first amendment of the Committee on Appropriations was, under the subhead "Customs Service," on page 15, line 8, to increase the appropriation for collecting the revenue from customs, and for the detection and prevention of frauds upon the customs revenue, including not to exceed \$15,000 for the hire of motor-propelled, passenger-carrying vehicles, from "\$13,680.140" to "\$16,180.140."

Mr. OVERMAN. Mr. President, I think it is time to adjourn now or to take a recess.

Mr. WARREN. Mr. President, we have now reached a point in the consideration of the bill where there are found a number of amendments involving rather large amounts and which may require some discussion. Therefore I move that the Senate take a recess until 12 o'clock to-morrow.

The motion was agreed to; and (at 5 o'clock and 28 minutes p. m.) the Senate took a recess until to-morrow, Friday, March 7, 1924, at 12 o'clock meridian.

## HOUSE OF REPRESENTATIVES.

THURSDAY, March 6, 1924.

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Give ear unto our words, O Lord, and consider our meditations. In Thy light may we see light and in Thy strength may we get wisdom. We are grateful to Thee that we are still folded in Thy loving memory. We praise Thee as our Creator and Heavenly Father. We thank Thee for the tides and certainty of the sunrise of this day. Overrule our weaknesses and failures in accordance with Thy plan and for our good. May our national ideals and standards be realized and bless our citizenship and free institutions throughout the length and breadth of our land. In the name of Jesus. Amen.

The Journal of the proceedings of yesterday was read and approved.

## CORRECTION.

Mr. TILLMAN. Mr. Speaker, I ask unanimous consent to correct an error which I made in some remarks in the House on January 24 last, upon the subject of freight rates. I understood from my informant, Mr. Hulse, that he was speaking of freight rates, when as a matter of fact he meant express rates. The rate Mr. Hulse paid as express was \$1 per bushel on grain he shipped. I am very glad to insert as a part of my remarks the letter which follows.

The letter referred to is as follows:

CHICAGO, BURLINGTON & QUINCY RAILROAD CO.,  
OFFICE OF VICE PRESIDENT,  
Chicago, January 31, 1924.

Hon. JOHN N. TILLMAN,  
House of Representatives, Washington, D. C.

DEAR SIR: In the debate in the House Monday, January 21, you made the following statement, as it appears on page 1239 of the CONGRESSIONAL RECORD:

"Now, as to freight rates. John Hulse, a Republican, living near Prairie Grove in my county, told me last summer that he bought 6 bushels of rye in Kansas, not the kind prohibited by Volstead, but the kind you sow in the fertile fields around that garden spot known as the Prairie Grove Valley. He said he paid 60 cents a bushel for the rye in Kansas, a short distance away, and the transportation charges were \$1 on each bushel. Write John and ask him what he thinks of the Republican legislation that made this outrage possible."

Probably all who heard you understood your statement to mean that the railroads are charging \$1 per bushel for transporting rye and similar farm products "for short distances." You omitted to state the exact distance, which is an important omission where accuracy is desirable, because freight rates are based upon distances.

From Prairie Grove, in your county, north to the north line of Arkansas is about 50 miles, and, as you say this shipment was "for a short distance," I have taken 182 miles, which is the distance from Prairie Grove to Parsons, Kans., and both Parsons and Prairie Grove are on the line of the St. Louis-San Francisco Railroad. That is not a "short distance."

I have asked the freight department of the Frisco Road to give me their regular established published rate on the shipment of rye from Parsons to Prairie Grove, and they inform me that it is 13 cents per bushel, and is not \$1 per bushel, as stated by you. Grain rates are quoted per carload, because the grain practically all moves in that way, and the rate from Parsons to Prairie Grove is 23½ cents per 100 pounds, and as there are 56 pounds of rye per bushel, the freight rate is 13 cents per bushel.

This is confirmed by the published rates in Illinois and Iowa; in Illinois the same rate on rye for that distance is 9 cents per bushel, and in Iowa it is 8 cents per bushel. The Arkansas rate quoted is slightly higher between these Kansas and Arkansas points, because of the very small volume of grain moving that way and the increased costs of operation in that region. These are all rates approved by the Interstate Commerce Commission.

One can only conjecture where Mr. John Hulse got the freight rate of \$1 per bushel. It is possible that he bought seed grain, and shipped it on a passenger train by express, or at some class rate that was equal to express rates.

The point of principal interest to your colleague in the House, and to the country generally, is what is the burden of freight rates upon rye and other grains to the western farmer. For distances of 182 miles this average burden is about 8 cents per bushel; that is, the average freight charge in the West for transporting a bushel of rye or similar grain 182 miles does not exceed 8 cents per bushel, as it moves almost exclusively at carload rates. If freight rates are reduced 25 per cent, it would mean a reduction of 2 cents per bushel in the rate, but that would not necessarily benefit the farmer to the extent of 2 cents per bushel in the price he receives for his grain. To-day's Chicago price for cash rye is 72 cents per bushel, and the price fluctuates sometimes as much as 2 cents per bushel in one day, so that a reduction of 2 cents in the freight rate might be entirely wiped out in a single day by a fall in the price caused by poor demand from Europe, or a change in the customs tariff, or a slump in grain prices generally, or a stringency in the money market, or some other reason entirely remote from railroad freight rates.

Nothing can be made more confusing in this matter than to pick an exceptional incident, the result of an unusual condition, and, because it presents a sensational feature, to cite that as indicating the burden of railroad freight rates upon the farming industry.

Yours respectfully,

W. W. BALDWIN.

The SPEAKER. Without objection, the correction will be made in accordance with the statement of the gentleman from Arkansas.

There was no objection.

#### THE CREED OF AN AMERICAN.

Mr. McSWAIN. Mr. Speaker, the Clerk of this House, the Hon. William Tyler Page, rendered the country a patriotic service when he arranged some of the finest expressions in our constitutional history into *The Creed of an American*. I here reproduce that creed as my personal testimonial to its inspiration:

#### THE CREED OF AN AMERICAN.

I believe in the United States of America as a Government of the people, by the people, for the people; whose just powers are derived from the consent of the governed; a democracy in a Republic; a sovereign Nation of many sovereign States; a perfect Union, one and inseparable; established upon those principles of freedom, equality, justice, and humanity for which American patriots sacrificed their lives and fortunes.

I therefore believe it is my duty to my country to love it, to support its Constitution, to obey its laws, to respect its flag, and to defend it against all enemies.

I do not hope to rival Mr. Page as the formulator of a creed, but have put down some of the thoughts that have risen to the surface recently when forced to contemplate the distraction of the public mind and the confusion in public thought. We are so apt to get away from the fundamentals, both in life and in government, that it is well to turn attention often to the great truths upon which all genuine Americans agree. When we do sincerely understand and devoutly feel the principles of the Declaration of Independence and of the Constitution of the United States and of the impelling forces in our history, then it is much easier for the warring factions in our political, social, and economic strife to discern and to cast aside nonessentials and to strive for the real and vital principles of American life and living.

It is therefore in this spirit and for this purpose that I respectfully and sincerely submit the following amplified

#### CREED OF AN AMERICAN.

I believe in the fullest and freest opportunity for every person to make of himself and for himself all that his talents, industry, and character can achieve.

I believe in the square deal for every section, in fair play for and by every lawful and useful group, interest, or class; but I believe in the paramount right of the whole people acting only by constitutional agencies and methods, to carry on and to accomplish our manifest and God-given destiny.

I believe in equal rights for all and special privileges to none, and if the curse of war must ever again fall upon our Nation, then in equal burdens for all and special profits to none.

I believe that every citizen owes his country a duty to fight its battles, and if age, strength, or sex should prevent actual fighting in the field, then such person should contribute equitably of his material wealth and resources to carry on the war to its successful conclusion.

I believe that a public office is a public trust and that such public office must never be employed as a private opportunity for personal gain.

I believe that every public officer should guard as sacred the power and political influence of his position just as he should guard the money and property intrusted to his keeping.

I believe that official power and political influence come from the people and still belong to the people, and should be exercised by individuals only for and in behalf of the people.

I believe that the public school is the nursery of the spirit of Americanism and of genuine democracy, and that the church is the saving influence for men here and hereafter, and that the home, unbroken and unbreakable, is the hope and promise of our national life.

I believe in the ultimate triumph of right over might and truth over falsehood, and in the constant and enduring power of this Nation, founded on liberty, justice, freedom, and democracy, to overcome all obstacles and to continue to lead all nations in the procession toward human happiness.

I believe that all reforms that the people sincerely desire can and should be accomplished by the ballot through constitutional and legal agencies, and that any resort to violence for any purpose is un-American and will be finally destructive of all hope for the happiness of the people of this and succeeding generations.

I believe that the majority has a divine right to rule, but that it may properly enjoy and exercise such right only by respecting the constitutional and legal rights of minorities and of every individual citizen.

I believe that when existing rights contravene the highest public welfare, it is then the right and privilege and duty of the requisite majority to modify or repeal such contravening rights and to reorganize the law to conform to the expanding and growing spirit of democracy.

I believe that impatience with the processes of constitutional and parliamentary government, by either or both extremes of the economic and social structure, is dangerous to fundamental Americanism, which rests upon the unquestionable right of the people to rule according to established procedure.



I believe that such political influence as is intrusted to certain citizens chosen to public office for fixed periods of time should be held in trust for the benefit of the whole people, and that such influence should never be exploited either during tenure of office or thereafter for the personal gain of the officeholder.

I believe that liberty under the law is essential to the life of the Republic and that disregard and defiance of law and of lawful authority will lead to chaos, confusion, and ruin.

I believe that genuine patriotism needs and demands a tolerant spirit, with charity for all and with malice toward none, and with a high resolve to do the right as God enables us to see the right.

I believe that our fathers wisely established ours as a Government of laws and not of men exercising arbitrary power according to one standard to-day and another to-morrow, but that the same law applies to the rich and to the poor, and that none is so high as to be exempt from its avenging power and none so low as not to feel its protection.

I believe that the essence of fair play and of the square deal requires that the Government in all its departments and agencies shall hear before it condemns, and shall proceed only upon inquiry and shall render judgment only after trial.

I believe that our dual system of government was wisely devised to insure the power and integrity of the Federal Government in all matters essentially national, but that personal rights and liberties, diverse interests, and varying needs of the constituent States are best preserved and promoted by reserving to the people of the several States the right and duty of self-government.

#### COST OF CERTAIN INVESTIGATIONS.

Mr. MACGREGOR. Mr. Speaker, I have been requested to make a correction in respect to a statement made on March 4, 1924, by the gentleman from Texas [Mr. BLANTON] with reference to the expenses of special investigating committees. On page 3555 of the RECORD of March 4 the following occurred:

Mr. BLANTON. I just want to remind the minority leader of what occurred when the Walsh subcommittee of the Graham committee went in a special train to the Pacific coast and lived up and down that Pacific coast for about two months. Whatever, if any, good came out of that investigation and of the \$700,000 of the people's money that was spent?

Mr. GARRETT of Tennessee. I think the gentleman states a larger amount than was really expended.

Mr. BLANTON. It was between six and seven hundred thousand dollars.

The committee to investigate war expenditures, consisting of five subcommittees on aviation, quartermaster department, camps and cantonments, ordnance, and foreign expenditures, expended \$149,788.22. The committee to investigate the United States Shipping Board operations cost \$44,418.89.

Mr. HOWARD of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. MACGREGOR. Certainly.

Mr. HOWARD of Nebraska. Is it the gentleman's object now to correct the RECORD or to correct the statement made by the gentleman from Texas [Mr. BLANTON]?

Mr. MACGREGOR. To correct the statement of the gentleman from Texas. The statement was made that the expenditures of these two committees were between six and seven hundred thousand dollars.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. MACGREGOR. Yes.

Mr. BLANTON. How much does the gentleman say that the Graham committee cost, with all of its subdivisions?

Mr. MACGREGOR. One hundred and forty-nine thousand seven hundred and eighty-eight dollars and twenty-two cents.

Mr. BLANTON. They are not the figures that the employees of the Appropriations Committee gave me last year, and I usually find that they are very accurate. Did the gentleman get his figures from the Appropriations Committee?

Mr. MACGREGOR. I got these figures from the Clerk of the House.

Mr. BLANTON. I suggest that if the gentleman goes into Mr. MADDEN's office and gets his force to make him figures, he will find that that entire Graham committee cost a great deal more than the gentleman thinks it cost.

Mr. MACGREGOR. It could not have, because it had to come out of the contingent fund.

Mr. BLANTON. There were various subcommittees of the Graham committee. The Walsh committee was a subcommittee of the Graham committee.

Mr. MACGREGOR. Oh, no. That was a separate committee.

Mr. SNELL. That was an entirely separate committee.

Mr. MACGREGOR. The Shipping Board committee was the Walsh committee.

Mr. SNELL. It had nothing to do with the original Graham committee.

Mr. BLANTON. The way it was handed to me, the total figures of the investigation, I think, ran up between six and seven hundred thousand dollars.

Mr. MACGREGOR. The gentleman is mistaken.

Mr. BLANTON. The gentleman from New York [Mr. MACGREGOR] is correct. I did make the mistake of merging the expenses of committees and commissions when I mentioned that between six and seven hundred thousand dollars were spent on investigations. On getting the figures furnished me by the Appropriations Committee's office, I find that they embraced about \$600,000 expended by the Coal Commission created by Congress, which investigated the coal situation, with the amounts which the gentleman says were expended, aggregating \$799,418.89.

#### MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Craven, its Chief Clerk, announced that the Senate had passed without amendment the bill of the following title:

H. R. 3444. An act for the relief of certain nations or tribes of Indians in Montana, Idaho, and Washington.

#### GENERAL LEAVE TO PRINT.

Mr. GARRETT of Texas. Mr. Speaker, a number of Members desire to extend their remarks upon this bill, say, within 3 legislative days. Therefore I ask unanimous consent that all Members who wish to extend their remarks on the Muscle Shoals bill may do so within 10 legislative days.

Mr. JOHNSON of Washington. Mr. Speaker, will the gentleman make that five legislative days?

Mr. GARRETT of Texas. I have no objection to that, Mr. Speaker, and so amend my request.

The SPEAKER. The gentleman from Texas asks unanimous consent that all Members who desire to extend their remarks on the pending bill may do so within five legislative days. Is there objection?

There was no objection.

#### MUSCLE SHOALS.

Mr. MCKENZIE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 518) to authorize and direct the Secretary of War to sell to Henry Ford nitrate plant No. 1, at Sheffield, Ala.; nitrate plant No. 2, at Muscle Shoals, Ala.; Waco Quarry, near Russellville, Ala.; and to lease to the corporation to be incorporated by him Dam No. 2 and Dam No. 3 (as designated in H. Doc. No. 1262, 64th Cong., 1st sess.), including power stations when constructed as provided herein, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 518, with Mr. MAPES in the chair. The Clerk reported the title of the bill.

Mr. MCKENZIE. Mr. Chairman, so that there may be no misunderstanding on the matter, what is the amount of time remaining for general debate? I think it was understood that the time would be equally divided to-day.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. MORIN] has remaining 1 hour and 37 minutes. According to the agreement which the Chair understood was made last evening, the gentleman from Illinois [Mr. MCKENZIE] and the gentleman from Mississippi [Mr. QUIN] are to consume only that amount of time. That would make 3 hours and 14 minutes remaining of general debate.

Mr. QUIN. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. GARRETT], a member of the committee.

Mr. GARRETT of Texas. Mr. Chairman and gentlemen of the committee, the discussion on this bill has taken a rather wide range. Considerable irrelevant matter has been brought into the discussion. Suggestions have been made that there is a possibility that out of this legislation there may come some sort of a legislative scandal. Some have referred to it in such manner as if they feared that it may become akin to the Teapot Dome controversy that has occupied so much time of the other legislative body of the Congress. There is no excuse for any Member of this House to misunderstand this proposition in any particular whatever. It has been published broadcast to the world, hearings for months were had before the Committee on Military Affairs concerning the proposition, and, Mr. Chairman, there are no secrets connected with this piece of legislation whatsoever. No man has come before the Committee on Military Affairs who did not disclose fully

his identity. The gentleman from Iowa [Mr. HULL], for the lack of something else better to say, after having abandoned his leadership of this great project, referred to certain individuals as promoters and said that they were the powers who were moving about this Capitol and who were behind this legislation. Colonel Worthington, one of the men he spoke of, has made no secret of his interest in this matter. He has represented the waterways of that section of the country for a long time, for many years. He is vitally interested in water-power development and waterway improvement of the Tennessee River as provided for in this very bill. Mr. Silver, the other promoter that he referred to, stated openly and above board before the committee that he was the representative, the paid representative, if you please, of the farm organizations of this country, and that the only interest that he had in this legislation was that part of the legislation affecting the fertilizer end of the transaction, and that all other matters pertaining to the bill were left open to Congress and to the committee—he had no interest in it more than any other private citizen of the country. So that dismisses that. Now, Mr. Chairman, a great deal has been said here concerning the water-power end of this proposition. I wish to say that personally I am not so much concerned about the water-power feature of it, because I know the very fact that the great water powers of this country have already been developed and their usefulness to mankind so fully demonstrated that they will go on being developed through the coming years, as the necessities of the people may require, whether Mr. Ford gets Muscle Shoals or whether he does not get Muscle Shoals. But the part of this bill that has interested me most from the beginning and that interests me now more than anything else connected with it is the provision providing for the manufacture and distribution of cheaper fertilizer for the farmers and truck growers of these United States. One may say, Why do you, representing far-away Texas, hundreds and hundreds of miles removed from the scenes of Muscle Shoals, why should you be so much concerned about whether or not the farmers of this country should have fertilizers at half price? Well, there are a great many reasons. May I not recall those days long gone when I was a constituent of my good friend JOSEPH W. BYRNS of Tennessee? I was born and reared on the farm in a county where every farmer practically in it used fertilizers, and, as the gentleman from Illinois [Mr. MADDEN] said before our committee in a statement that I commend to the consideration of every Member of this committee and of this House, to those of us who were born and reared upon the farm there is ever a voice calling us back again, and in the consideration of legislation of this kind I can see the tired farmer not only of my own beloved State of Texas but I can see them back yonder in old Robertson County, Tenn. Yes, Mr. Chairman, I can see them in all of those good old hill counties as they return home at eventide, tired and weary after a long, long day of arduous toil, and my heart and sympathy goes out to them, and the man is ill informed who does not know to-day that these consumers of commercial fertilizer are in the hands of one of the most merciless trusts that exists in this country. [Applause.]

Mr. MADDEN. I wonder if the gentleman will allow me to make a suggestion as to how Texas could benefit. Last year \$80,000,000 worth of nitrates from Chile were imported to the United States, upon which \$24,000,000 export tax was paid, and if we can cut the cost of nitrates in fertilizers to eliminate that Texas will get some benefit. [Applause.]

Mr. GARRETT of Texas. The gentleman is entirely right. Not only that, I will say to the gentleman from Illinois, but I go further than that. I can remember the time, when I was much younger than I am to-day, when it was said, "Go to Texas." Farmers back in my native State and the young men were advised there and everywhere to go to Texas, where the soil was so rich that it would never wear out, where you could plant one crop after another with no thought of depleting the soil, but the Members of our delegation to-day in the House of Representatives I am sure will agree with me that while we yet have unnumbered millions of acres of the richest land to be found in all the country, yet there are portions of our State where our lands are becoming much depleted from the continuous growing of crops and that our farmers are not only using commercial fertilizer to-day but that we are going to be compelled to use much more in the years to come. There are not a great many people who stop to consider that land has certain component parts of plant life—nitrogen, phosphoric acid, phosphates, ammonia—and that whenever these properties become exhausted in the land, it matters not where it is, that land is dead in so far as plant food and plant life is concerned, and it has to be rehabilitated by these commercial fertilizers. Now, we can not tell the people out yonder

on the hills and in the valleys of Tennessee, Virginia, Alabama, the Carolinas, and all of those States that grow tobacco—you can not tell those people to go to some other country where they will not have to use fertilizer. They have to stay where they are, they can not abandon their homes and all that is dear to them because their lands are becoming worn from continuous toil. If they are to rehabilitate their land and make it fertile again they must have cheap fertilizer, and that is what this bill will bring them.

Mr. HULL of Iowa. Will the gentleman yield?

Mr. GARRETT of Texas. I will.

Mr. HULL of Iowa. There is no controversy about the necessity of fertilizer, but has the gentleman read the Union Carbide offer to take plant No. 2 and manufacture fertilizer at a profit of 5 per cent where Ford wants 8 per cent?

Mr. GARRETT of Texas. Yes; I will say to the gentleman that I am familiar with that kind of propaganda that has come before our committee since this Congress convened.

But I want to remind the gentleman from Iowa that when his Secretary of War advertised to the world for somebody to come and take Muscle Shoals off the hands of this Government, Henry Ford was the only man in all the world that came forward and made a proposition to the Government. [Applause.]

Mr. HULL of Iowa. Does that obligate us to make a contract with Mr. Ford when we have a better offer now?

Mr. GARRETT of Texas. No; but when the company that the gentleman represents on the floor of this House—

Mr. HULL of Iowa. What company is that?

Mr. GARRETT of Texas. The Alabama Power Co.

Mr. HULL of Iowa. Oh, the gentleman is wrong. The gentleman knows better than that.

Mr. GARRETT of Texas. The gentleman has introduced their bill.

Mr. HULL of Iowa. I introduced it for the information of the House, and the gentleman knows very well that when he states that he states an untruth.

Mr. GARRETT of Texas. I will say to the gentleman that I did not intend to misrepresent him, or to put him in a false light, but there is a saying that, "By their fruits ye shall know them." [Applause.]

Mr. LA GUARDIA. Does that apply to the Henry Ford crowd?

Mr. GARRETT of Texas. If the gentleman desires recognition he might address the Chair and ask me to yield.

Mr. LA GUARDIA. As to the maxim just quoted, would not that apply to the Henry Ford interests?

Mr. GARRETT of Texas. It applies to all the activities of mankind. And another thing I will say to the gentleman that we are not ashamed to gather the fruit from the tree that we represent. [Applause.]

Mr. LA GUARDIA. Mr. Chairman, will the gentleman yield?

Mr. GARRETT of Texas. Yes.

Mr. LA GUARDIA. So there are fruits to be gathered?

Mr. GARRETT of Texas. Well, if the gentleman does not understand figurative language I shall have to let him ask some one who does.

Mr. LA GUARDIA. I come from a race of people who are celebrated as a people of poetry.

Mr. McSWAIN. What race is that?

Mr. LA GUARDIA. The race that has brought civilization to the world.

Mr. GARRETT of Texas. I do not want this to be taken out of my time, Mr. Chairman.

This is a proposition we are to vote up or down. It is an offer of Mr. Ford to the Government to take over Muscle Shoals—to maintain nitrate plant No. 2 in stand-by condition for the use of the Government in time of war and to be used in the production of fertilizer for the farmer and truck grower in time of peace at greatly reduced price, and may I say it is the only proposition submitted to your committee that fully meets the requirements set forth in the national defense act, under which the great project at Muscle Shoals was inaugurated. I mean no disrespect to the gentleman from Iowa. I want him to understand that now, because he knows there were some things about the Ford proposition that I did not like and that he did, and I largely followed his leadership on the Committee on Military Affairs on this subject in the last Congress, but when I came back to this Congress I found he was gone, and I said, "Where is my leader, Mr. HULL? What is the matter with him?" And they said, "He has a better proposition now."

When did you get the better proposition? In the last Congress the Alabama Power Co. never raised its hand against the Ford offer except as it affected its interest in the Gorgas steam



plant. Although it did not have the law on its side, and after that company bought the Gorgas steam plant under a most unconscionable contract written against the interest of this Government and got its hands on that, then it decided that Henry Ford should not have Muscle Shoals.

Mr. HULL of Iowa. Mr. Chairman, will the gentleman yield right there?

Mr. GARRETT of Texas. Yes.

Mr. HULL of Iowa. You know very well that the Alabama Power Co. always had title to the Gorgas plant.

Mr. ALMON. The land on which it was built.

Mr. HULL of Iowa. That is the title.

Mr. ALMON. The Government paid for it, every cent.

Mr. GARRETT of Texas. I know this: I know that the Alabama Power Co., according to your Attorney General, had a contract; yes, and according to the opinion rendered by the Judge Advocate of the United States Army, had a contract that was null and void.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. GARRETT of Texas. Have you any more time left?

Mr. QUIN. I have not any time.

Mr. MORIN. Mr. Chairman, I yield 20 minutes to the gentleman from New York [Mr. LaGUARDIA].

The CHAIRMAN. The gentleman from New York is recognized for 20 minutes.

Mr. LaGUARDIA. Mr. Chairman, if this bill is to be passed by this House I believe it will be necessary to change its title. It should be entitled "A bill to make Henry Ford the industrial king of the United States."

Mr. STENGLE. He is already that.

Mr. LaGUARDIA. I would be ashamed to admit it. And for the purpose of carrying out the provisions in this bill it should read, "*Be it further resolved*, That it is necessary to bunco the farmers of America."

I want to say that no Member of this House can intelligently register his vote unless he has read from beginning to end the scholarly, logical, concise presentation of the case made by the gentleman from Ohio [Mr. BURTON] on yesterday. I would sooner have to my credit the record of the gentleman from Ohio in his labors and efforts for the conservation of the natural resources of this country than all the ill-gotten millions of Henry Ford. [Applause.]

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. LaGUARDIA. In just a moment, please, I have only a few minutes, and later on, if I get further time, I shall be glad to yield.

Mr. BLANTON. Will you elucidate the "ill-gotten gains" feature?

Mr. LaGUARDIA. Yes; in a moment.

Much has been said about the personal guaranty of Mr. Ford. Mr. Ford's lawyers took care that there would be no personal guaranty in the bill, and the attention of the committee is called to page 2, lines 1 to 8. It is not necessary to be a constitutional lawyer to understand that very plain language. A first-year law student could tell you that there is no guaranty. Let me read the section:

For the purpose of carrying out the terms of this agreement, Henry Ford will form a corporation (hereinafter referred to as the company) with a capital stock of \$10,000,000, or more, of which at least \$10,000,000 shall be paid in, in cash, to be controlled by Henry Ford, which company will immediately enter into and execute all necessary or appropriate instruments of contract to effectuate this agreement.

Reference was made as to who wrote the minority report. It is a matter of indifference to me who wrote the minority report, but if you want to know who wrote the bill that you are asked to vote on, then simply look at the majority report on pages 8 to 13 and you will see that the language of the bill is verbatim the language of the Ford offer. Henry Ford wrote this bill, and you can not get away from that. And he has told you that you must pass it just as it is written. Of course, it had to be, as my genial friend from Texas has said, because Henry Ford said to the Congress of the United States, "You will pass this bill as I wrote it, or I will not sign the contract."

Mr. McDUFFIE. Mr. Chairman, will the gentleman yield?

Mr. LaGUARDIA. Just as soon as I get time from the gentleman from Mississippi [Mr. QUIN] I will yield.

Now, gentlemen, the point that is urged in support of this measure is the great possibility of obtaining fertilizer; and yet not one Member who spoke in favor of the bill has given this House any definite information as to the cost of the fertilizer or the quantity that may be produced. What assurance have you that the farmers are going to get cheap fertilizer?

What method of manufacture is Mr. Ford going to use? What formula is he going to follow? You have been given no information about these very important matters. What experience has Mr. Ford in the manufacture of fertilizer? I venture to state that Mr. Ford would not understand a formula if he saw one. All this talk about fertilizer is simply a camouflage justification for the passage of this bill. You have the poor farmer thinking that he is going to get cheap, powerful fertilizer, and yet we have heard Ford speeches, political speeches, stump speeches, but nothing definite, concrete on the matter of the manufacture of fertilizer by Henry Ford at the Muscle Shoals plant.

Let me again refer to the speech of the gentleman from Ohio [Mr. BURTON]. He patiently labored here yesterday with authentic information concerning the development of the manufacture of fertilizers. He presented in plain understandable language the scientific advancement in chemistry, meeting the needs of the world for fertilizer. I want to join with the gentleman from Ohio in paying tribute to the Department of Agriculture for their research work and preparation to keep abreast of the times. This great department should be given an opportunity. And if you want to help the farmer really, substantially, then let us turn over plant No. 2 and such parts of Muscle Shoals as is necessary to the Department of Agriculture. That is the way to beat the Fertilizer Trust. That is the way to help the farmers. That is the way to protect the interests of the American people.

I challenge the champions of this bill, in closing this debate, to point out any evidence presented to the committee or any reliable information presented to this House as to the cost of fertilizers.

Let me point out the cost of production you are guaranteeing to Mr. Ford. You give him 8 per cent of the annual cost of production; and that cost of production, as every business man knows, includes overhead, taxes, interest on capital, sinking fund on investment, depreciation, insurance, and legal expenses. All this will be included in the "cost of production" provided for in the bill. On this you give Henry Ford 8 per cent additional. Mr. Ford, with an investment in this enterprise of only \$15,000,000—the \$5,000,000 he is to pay to the Government in five annual installments and \$10,000,000 invested in the corporation—will produce with the facilities of a \$100,000,000 plant and receive above all his carrying charges 8 per cent on the total cost of production—8 per cent of the cost of the production of fertilizers, mark you, in addition to his annual contribution to the sinking fund, to pay for the Government property. In other words, the farmers will pay Henry Ford's cost of the plant and 8 per cent profit in addition. On Ford's investment, if he should decide to manufacture fertilizer, he will make many times 8 per cent annually on the amount of money paid into the company.

Talk about profiteering and it is right here under your nose, and yet you come on the floor of this House and you say what you are going to do for the farmer in the way of giving him fertilizers.

I want to make my position clear on this. I am not for the Alabama Power Co. offer, and I am not for the operation of this great plant by anyone or any corporation except the United States Government. [Applause.]

The magnitude of this great hydroelectric plant, perhaps, is not realized by many. It will some day. Is it generally understood that the Government must complete the work for Mr. Ford or rather that Mr. Ford will do it and the Government pay for it? Is it generally understood that Mr. Ford will not pay the Government the cost of the dams and the plant, but that he will simply pay 4 per cent of what the Government spent since May 31, 1922, and the millions of dollars spent prior to that period is practically a gift to Mr. Ford? With the exception of the \$5,000,000 paid in five annual installments, the sinking fund provided in the bill will represent an infinitesimal percentage of the cost to the Government of this gigantic plant. I have before me a construction bulletin dated November 1, 1923, issued by Hugh L. Cooper & Co., consulting engineers, of New York City. Every Member of this House should read this report to glean an idea of the vast, enormous, gigantic proportions of this plant. You will find interesting data in this report. Let me read it to you; it is not very long:

The development of water power and the improvement of navigation in the Tennessee River at Muscle Shoals have been under consideration for many years. The rapid advance in recent years in the hydroelectric art and the extraordinary demand for electric power caused a serious and broad study of this power proposal to be made in 1907. Since then various plans for private or Government development of the potential electric power at Muscle Shoals have been made.

In the Federal plan for the development of navigation and power from the Tennessee River there are required three dams and locks, officially designated as Dams Nos. 1, 2, and 3, located as shown on accompanying map, page 4.

Dam No. 1, including a lock, is located about 3 miles below Dam No. 2 and is purely a navigation development.

Dam No. 2, known as the Wilson Dam, is now under construction and is about 55 per cent completed. This installation, when finished, will cost about \$50,000,000, excluding interest during construction. This power plant, with the Tennessee River unregulated, will supply approximately 700,000,000 kilowatt hours of primary power per annum and 1,490,000,000 kilowatt hours of secondary power per annum. Navigation locks are included in this development.

Dam No. 3 is a proposed water-power and navigation development located about 20 miles upstream from Dam No. 2. This project is estimated to cost about \$25,000,000, including the locks, and using the unregulated flow of the Tennessee River is estimated to supply 285,500,000 kilowatt hours of primary power per annum and 608,000,000 kilowatt hours of secondary power per annum.

Early in 1918 the development of Dam No. 2 was undertaken by the United States Government as an aid in the manufacture of nitrate to be used in munitions during war periods and in fertilizer in peace times. The construction activities have been continuous and on a broad scale except for two periods of suspension, the first being for the last half of 1918 and the other from April, 1921, till July, 1922.

The construction work was started by Hugh L. Cooper, at that time a colonel of Engineers, United States Army, who was ordered home from France for this purpose. Sixty days later, having made general plans for the project and started the work, he was ordered back to France.

This installation, known as Dam No. 2 and officially called the Wilson Dam, is being built under the direction of Maj. Gen. Lansing H. Beach, Chief of Engineers, United States Army, with Brig. Gen. Harry Taylor, Assistant Chief of Engineers, United States Army, immediately in charge.

On May 21, 1920, the Chief of Engineers made a contract in which Hugh L. Cooper & Co., consulting engineers, were employed as the designing and supervising engineers for the entire project.

This work has at all times been carried on by day labor, and all of the construction forces since May, 1923, have been directed by Lieut. Col. George R. Spalding, United States Army. The responsibility for the cost of the works and time of completion rests with the War Department of the United States. Barring unexpected difficulties in the future, the works should be ready for the commercial operation of eight units, a total of 260,000 horsepower of capacity, by October 1, 1925.

The total length of the proposed structures across the Tennessee River at Muscle Shoals will be about 4,500 feet. The power house, abutting the south shore and forming a part of the dam, is 1,250 feet long. The dam or spillway section extends from the north end of the power house to the lock and is 3,050 feet long. The upstream end of the lock extends from the north end of the dam to the north shore, a distance of 200 feet.

Power house: The power-house structure is 1,250 feet long and 160 feet wide. Its total height is 134 feet. The substructure is monolithic concrete, while the superstructure is reinforced concrete, with a steel-trussed roof. Eighteen power units will be installed ultimately. There will be four 30,000-horsepower units and fourteen 35,000-horsepower units—a total of about 600,000 horsepower. Four complete units of 30,000 horsepower each are now being installed, and bids are soon to be requested for four additional units of 35,000 horsepower each.

Dam: The length of the dam proper is 3,050 feet. It is 95 feet high from the river bed to the crest, and 140 feet high from foundation to the level of the operating bridge, and is 105 feet thick at the base. The top of the dam is a floodgate operating bridge which may be used for highway purposes.

Locks: Two locks, one immediately above the other, each having a lift of 46 feet 6 inches at mean stage, and each 60 feet by 300 feet inside dimensions, having a miter sill clearance of 7 feet 6 inches, are being built at the north end of the dam and abutting the north shore.

#### GENERAL STATEMENTS.

This entire project calls for 1,350,000 cubic yards of masonry. This is the greatest quantity of masonry required by any hydraulic development hitherto built, not excluding the famous dam on the Nile at Assuan, Egypt.

This water power, when the total 600,000 horsepower of machinery has been installed and is utilizing the natural, unregulated flow of the Tennessee River, will produce on the average 700,000,000 kilowatt hours of primary power per annum and 1,490,000,000 kilowatt hours of secondary power per annum. Primary power is power which is available every hour of every year. Secondary power is power that is available a fraction of the year only. This fraction at the Wilson Dam will vary from a minimum of 90 days to a maximum of nearly 365 days. A kilowatt is  $\frac{1}{2}$  horsepower.

This total amount of power will effect, if used for ordinary commercial purposes, a saving of about 3,500,000 tons of coal per annum.

When the flow of the Tennessee River is equalized by the construction of commercially feasible water powers and storages in the headwaters of the river, the average annual electric power from this project should be increased about 30 per cent.

The pool created by this dam will be about 18 miles long and have an average width of about three-quarters of a mile.

The operating head will vary from a maximum of 95 feet to a probable minimum of 70 feet.

Excess water not required for power purposes and flowing over the top of the dam will be controlled by 58 steel gates, each 38 feet long by 18 feet high, these gates to be operated by a control system which will permit one man to open or close all of the gates in two hours, thus securing the most dependable flood regulation. These gates are designed so as to discharge up to 950,000 cubic feet of water per second. This 950,000 cubic feet of water per second is three times the maximum discharge of the St. Lawrence River in its international section.

The foundations for all of these works is a very hard blue limestone. The foundation strata have been carefully examined and thoroughly tested throughout the entire length of the dam, power house, and lock system and found entirely satisfactory. Exploration holes, varying in depth from 40 feet minimum to 100 feet maximum, have been driven for every 20 feet of length of the structures to show the character of the foundations. The plans followed for the testing of these foundations have so thoroughly revealed the character of the rock supporting all of the structures as to remove all possible doubt as to their sufficiency.

Dam No. 2 and all of the water-retaining works are what is known as the gravity type of construction, meaning structures which depend primarily on their own weight for their ability to resist overturning or sliding on their foundations. This type of construction has been in successful use for centuries and is now considered in conservative engineering to be the most dependable design where permanence, heavy duty, and low cost of maintenance are required.

In general, reinforced-concrete construction throughout Dam No. 2 has been followed only where exterior surfaces immediately adjacent to reinforcing rods can be maintained waterproof throughout operating conditions, thereby relieving the reinforcement of the deterioration that always follows where waterproofing can not be perfected and maintained.

The Wilson Dam, when completed, is expected to represent the highest commercial efficiencies and the lowest costs of operation known to hydroelectric engineering at this time.

These figures answer fully and completely the statements made by gentlemen on the floor of this House yesterday about the meager horsepower available. Here is the engineer's report, which shows the absurdity of the statement that Mr. Ford would have insufficient horsepower left over after manufacturing fertilizer to generate electrical power for distribution. Do you not see at a glance that, assuming that Mr. Ford will manufacture fertilizer, the potential power of this plant is of such gigantic size as to generate sufficient electricity to turn the wheels of industry for hundreds and hundreds of miles.

Now, then, another point which has been emphasized is the necessity of having this plant in reserve as an emergency to produce explosives in the event of war. That point can not be overemphasized, and yet you are willing to place in the hands of one individual the supply of explosives at a time when this country may be in danger.

Mr. MADDEN. That is not so.

Mr. LAGUARDIA. I am coming to that.

Mr. McSWAIN. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. McSWAIN. Does not the bill, which the gentleman claims to have read, provide that the Government may take it over on five days' notice?

Mr. LAGUARDIA. Exactly, and let me point out to the gentleman that the bill first provides that the Government must turn over the plant to Mr. Ford complete, and if it has removed any of the equipment it must replace that equipment; that is section 13, page 9, lines 18-22. Then it provides that Mr. Ford—now, get this—shall keep plant No. 2 as he receives it, capable of turning out nitrates in case of war, but you have nothing in this contract guaranteeing the performance of that covenant, and in the contract you have no forfeiture if he fails to so keep up the plant, and you have no penalty if he fails. What a sorry situation, if, in the time of need, we found that the plant was not in such condition.

Mr. McSWAIN. Does not the gentleman recall that the bill provides that any officer of the United States—which includes an ordnance officer—shall have access to that plant at all times, and that clause 19 gives the Federal court power to declare a forfeiture and revert the title to the United States at any time in the event of failure in any respect to perform all the conditions of the contract? [Applause.]



Mr. LAGUARDIA. The gentleman knows that the contract does not provide for a forfeiture. What we need in time of war is nitrate, not a lawsuit in the courts.

Now, gentlemen, I say that the one person in the United States who can not be entrusted with such an important plant in the case of war is Henry Ford, and I say that on his own war record. [Applause.]

Why, perhaps when the Government, at a time of impending crisis, gives the five-days' notice to Henry Ford, he may be on a ship with some Roszika petticoat, trying to get the boys out of the trenches; and the only boy Henry Ford ever got out of the trenches was his own son, and the gentleman knows that. [Applause.]

Mr. McSWAIN. Will the gentleman yield further?

Mr. LAGUARDIA. Yes.

Mr. McSWAIN. Does not the gentleman admit that Henry Ford put all of his enormous industries at the disposal of the Government in time of war for the purpose of turning out war supplies, and without profit, contrary to the practices of the country generally?

Mr. LAGUARDIA. Without profit? I should say not. Where did the Ford millions come from? Compare Ford's fortune prior to 1917 and subsequent to 1919, and you will find out how much he contributed to this country without profit. Not a cent. The only form of contribution was made by Henry Ford's publicity agents.

Why, the idea of giving a plant of such importance to such a man, especially when the Secretary of War states that we must depend upon that plant to furnish the ammunition necessary for 1,000,000 men in action. Yet, in spite of all that, you want to turn it over to Henry Ford. If you do that, gentlemen, every treaty will have to be submitted to him for his approval; every communication to a foreign government, in the event of a crisis, will have to be submitted to him for his approval, and then when you go there to get your plant, who knows in what condition you will find it?

Let me read what the Secretary of War says about that, and may I ask my regular Republican colleagues for their attention. In a letter in reference to the Muscle Shoals proposition and the Henry Ford contract, dated January 30, 1924, from the Secretary of War, the Hon. John W. Weeks, to the Hon. GEORGE W. NORRIS, Chairman of the Senate Committee on Agriculture and Forestry, the Secretary said:

There is, however, in the offer no security for the performance of this obligation other than the promise of the contractor and the remedy provided for in section 18. It is my opinion that a specific provision should be made that in case Mr. Ford or his company fails to live up to this provision of the contract or the provision for the production of fertilizer, that nitrate plant No. 2, the Waco Quarry, and the Black Warrior power plant shall revert to the United States and that the United States shall be entitled to cancel and terminate the leases of the dams and power plants covered by the proposal. The importance of nitrate plant No. 2 and the Waco Quarry to the defense of the United States is indicated by the fact that as they now stand they would furnish sufficient nitrogen for two field armies, or 1,000,000 men. It is therefore of the utmost importance to the national defense that this plant or its equivalent be ready for immediate operation in case of war. By the terms of the Ford offer and the bill under consideration title to nitrate plants Nos. 1 and 2 and to the Waco Quarry will pass to Mr. Ford or his company. It is true that in section 12 it is provided that the deeds conveying these properties "shall refer to or contain the provisions of this offer, and said deeds shall be so drawn as to make such provisions covenants running with the land." I believe that the importance of this feature of the contract is such that every possible safeguard should be placed in the contract to insure compliance therewith and that there should be added to the last-quoted provision the words—

"and such deed shall also provide that in case the grantee shall fail to operate said nitrate plant No. 2, as provided herein, or shall fail to maintain the same in its present state of readiness, or its equivalent, for immediate operation in the manufacture of materials necessary in time of war for the production of explosives, or if said grantee shall fail to comply in any other respect with the terms of the contract between the United States and Henry Ford, or his company, as evidenced by his offer of May 31, 1922, and its acceptance by Congress, then the title and right to possession of said nitrate plant No. 2, the Waco Quarry, and the Black Warrior power plant shall immediately revert to and revest in the United States of America, and the United States shall be entitled to a cancellation and termination on the lease or leases to Dams Nos. 2 and 3 and their power plants."

Mr. BLANTON. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. BLANTON. The gentleman wants to be fair, and if he does he must admit this: That Henry Ford is the only man in

the whole United States who has ever built an automobile within the reach of the common farmer of the country.

Mr. LAGUARDIA. Yes; and when you buy a Ford automobile it is like eating in an automat restaurant—you pay more for what you get than in any other restaurant in the country.

Mr. BLANTON. You get more for what you pay than for anything else in the country. [Applause.]

Mr. LAGUARDIA. The only thing which impresses you gentlemen about Henry Ford is his wealth, his fortune. You are bowing to money, and that is the only thing which Henry Ford has to recommend himself to you. And if you pass this bill you should replace that flag on the wall of this House with a great big dollar sign.

Mr. BLANTON. The only thing I do not like about Henry Ford is his rotten politics.

Mr. LAGUARDIA. Very good, and the 10 Members from Alabama, and you all from the South, if you pass this bill, will have to go to Henry Ford to get his O. K. for renomination. [Applause.]

Mr. GARRETT of Texas. Will the gentleman yield.

Mr. LAGUARDIA. Yes.

Mr. GARRETT of Texas. The gentleman says that Mr. Ford, if he has this proposition of maintaining nitrate plant No. 2 for war purposes, can not be trusted.

Would the gentleman rather trust plant No. 2 in the hands of a company a majority of whose stock is owned by foreign interests than to Henry Ford?

Mr. LAGUARDIA. The gentleman heard me say that this proposition is so important that no private company ought to own and operate it. It ought to be controlled and operated by the Government of the United States.

Mr. GARRETT of Texas. Then the gentleman is for Government ownership?

Mr. LAGUARDIA. Absolutely; and I am consistent about it. I could not come before this House with the stand I have taken on bills that have been brought before us, otherwise than to be for Government operation of this enormous plant.

Mr. McSWAIN. Will the gentleman yield now?

Mr. LAGUARDIA. Yes.

Mr. McSWAIN. Does not the gentleman admit that Henry Ford is the one conspicuous man in this Nation who has defied the combined financial powers of Wall Street and licked them to their knees, and that is the reason they are now fighting him?

Mr. LAGUARDIA. Why, they are not fighting him. Every big financial interest, I will say to my friend, that has been opposing the municipal operation of electric power and heat and water plants and all the railroads are hoping you will pass this bill in order to stop the future development of Government operation of public utilities. You are putting back the progress of government 100 years by presenting this bill and passing it.

Mr. McSWAIN. And do they not hate Henry Ford more than they hate Government public-utility ownership?

Mr. LAGUARDIA. The only man who has hatred in his heart is Henry Ford, based on his ignorance of history, literature, and religion. [Applause.] And Henry Ford has done more, I will say, owing to his bigoted hatred, to create strife and hatred in this country among the races than any man in the United States.

And I will say that the wealth and ignorance of Henry Ford combined has made it possible for vicious men to carry on a nefarious warfare against the Jews, not only of America, but of the whole world, and it has been said and I can understand how this vicious, inhuman, un-Christian campaign did reach the other side, and its result we see in the pogroms of innocent, helpless Jews in 1919 and in 1920 in parts of Europe. Deny that, if you can. The gentleman suggested hatred, and I had to tell you where there was hatred.

I am against this proposition. You are turning over this \$100,000,000 worth of property, and you know you are doing it, and placing every industry, every factory within a radius of 500 miles at the mercy of Henry Ford. You do not control the price of power. You do not regulate how he shall sell and distribute this power. You simply turn it over to him, which is an admission that out of 110,000,000 citizens in this country you have but one man whom you can trust with this very important plant.

Mr. McDUFFIE. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. Certainly.

Mr. McDUFFIE. For the gentleman's information, the minute Henry Ford sells power in Alabama he becomes subject to the Alabama public-service commission and its regulations. Now, what would the gentleman have the Congress do with that great plant down there?

Mr. LAGUARDIA. That is a fair question. I would have the Congress recommit this bill, I will say to the gentleman,

and have the Government complete the plant and operate it as I have stated before.

Mr. McDUFFIE. I know that.

Mr. LAGUARDIA. One moment. I would carry on the same completion of the work you have to do under this bill, at Government expense, and I would give the Department of Agriculture, with its splendid chemical and scientific staff, the opportunity to go down there and make fertilizer for the farmers, and I would have that always under the supervision and control of the Ordnance Department to use in case of need.

Mr. McDUFFIE. The gentleman simply believes in the Government operating this plant.

Mr. LAGUARDIA. Absolutely.

Mr. BLANTON. Will the gentleman yield for a further question?

Mr. LAGUARDIA. I will yield to the gentleman, although my time is about up.

Mr. BLANTON. Then the gentleman, if I understand him, would have the Agricultural Department go out and buy farms and raise cotton?

Mr. LAGUARDIA. Not at all. This question of fertilizer, as the gentleman knows, is so fundamental, and this opportunity down there is so great, that you can not afford to turn it over to Henry Ford. Why gentlemen, this proposition makes the Teapot Dome look like petty larceny. [Applause.] You can not get away with it, and I consider it a stupid blunder. The difference between Teapot Dome and this proposition is that in the case of Teapot Dome you can at least go into a court of equity and set aside the conveyance because it was based on fraud, but here we have this stupid blundering put into an act of Congress. You have this contract written into the statutes of the United States, and in a few years from now, when you realize what you are doing, it will be too late, and Henry Ford will be the absolute industrial king of the South for 100 years. You can not get away from that.

Mr. HOLADAY. Will the gentleman yield?

Mr. LAGUARDIA. Certainly.

Mr. HOLADAY. I have been attracted by the gentleman's solicitude for the farmers. May I inquire whether the gentleman has a single farmer in his congressional district?

Mr. LAGUARDIA. I will reply to the gentleman that I have great solicitude for the farmers because I have consumers in my district, and as long as the farmer of this country is getting the raw deal that he is and is getting buncoed by Congress, the price of food is bound to be so high that in my district hard-working wage earners can not afford to keep their families properly. That is my interest in the farmer. This idea of keeping the city and the farmer separated, of course, is engineered as a result of propaganda by those who profit on both—including Henry Ford.

The quicker we get the city and the farmer together the better it will be for the whole country; but when you call in Henry Ford and turn over to him \$100,000,000 worth of property of the United States for \$5,000,000, with no strings on it at all and with no regulatory supervision over it, then the day will come that you will rue your action, and the farmer, as usual, will suffer.

Mr. HOLADAY. Does the gentleman understand this property is worth \$100,000,000 to-day?

Mr. LAGUARDIA. I certainly do.

Mr. HOLADAY. Has the Government received any offer anywhere near that figure?

Mr. LAGUARDIA. There is nothing to compel the Government to give it away except the stupidity of Congress. [Applause.]

Mr. HOLADAY. Do you not know the Government engineers have reported it is only worth \$16,000,000?

Mr. LAGUARDIA. No such thing. Read the report of the majority.

Mr. HILL of Maryland. That is the scrap value.

Mr. LAGUARDIA. Why, of course; and the gentleman knows it. There is not a man or a corporation in the country that would not take a hundred million dollar plant for the terms offered by Henry Ford. I noticed that all the gentlemen speaking in favor of this Ford proposition have "soft-pedaled" on the value of the plant.

I want to say a word to my progressive associates. We have had many battles against special interests and powerful financial interests. Yet this is one of the most brazen, arrogant attempts of the power of money to usurp the power of government and to rob the people of a great natural resource that God Almighty intended should be enjoyed by them and not controlled by Henry Ford, to be parceled out as he sees fit. How can we consistently stand on our program of the Government control and operation of public utilities; how can we fight

for greater regulatory powers over the railroads, if not actual operation; how can we urge legislation for Government warehouses and marketing facilities, if we accept this shameful proposition?

The one tie which has bound progressives is our fight for the conservation of natural resources and our stand against exploiting corporations and privileged interests grabbing these resources at huge profit to themselves at the expense, loss, and suffering of the people. Let me give an illustration: The two engineering feats which may be compared to Muscle Shoals are the Niagara water power and the Panama Canal. The Niagara power grabbed by greedy, selfish corporations, assisted by favored legislation and the gift of nature, this great water power is turned into dividends for these companies, and the people must pay excessive rates for power, current, light, and heat. Panama Canal, on the other hand, stands as a monument to Government operation. That great undertaking, carried out by the War Department and now operated by the Government, is enjoyed by the whole world in general and by the people of America in particular. Imagine Panama Canal operated by the power companies of Niagara or Henry Ford, do you not see that it would result in the control of intercontinental commerce? Just as the private operation of the Panama Canal would give its possessor the key to commerce, so will Muscle Shoals give Henry Ford the key to the industry and manufacturing of the South.

You have heard told here the history of the fight for the conservation of the natural resources. You are all familiar with the Federal water power act. How can we in the face of that beneficial act which took years of struggle and fighting to write on our statute books vote for this proposition?

We are reminded of one of the first acts toward the conservation of natural resources and the first step which finally ended in the enactment of the Federal water power act, of the opposition at every phase of the great fight which lasted for years to bring about this legislation. A bill was introduced in the Sixty-second Congress, known as Senate bill 8033, to authorize the Connecticut River Co. to relocate and construct a dam across the Connecticut River, in the State of Connecticut. This bill, I learn, was one of the first measures which tended to utilize water power and at the same time provide safe navigation on our waterways.

Enemies of conservation of natural resources, the friends of corporations controlling public utilities, saw the danger in the first step toward protection of the public in this bill and fought it inch by inch. The distinguished gentleman from Ohio [Mr. BURTON], then in the United States Senate, championed the bill and fought for its enactment as originally reported just as he is fighting against the measure now under consideration. But if you will look up the debate on that bill, in the CONGRESSIONAL RECORD of the third session of the Sixty-second Congress, on February 17, 1913, you will see that the bill was so emasculated with amendments as to destroy its very purpose, take every feature of conservation from it, and give the company the absolute control of the ways and the power and deprive the people of their just enjoyment of that waterway. My Progressive associates, I want to call to your attention that the great leader of progressive ideas in this country, Senator ROBERT LA FOLLETTE, voted against every amendment introduced for the purpose of destroying the real intent of the bill.

We have stood together and stood the test a great many years on principles in which we believed and we will stand together for a great many years, I am sure. And along with our program for the conservation and control by the Government of coal, oil, transportation, water power finds its place, and in keeping with that program I ask my Progressive associates to stand by the people and vote against King Ford.

Mr. QUIN. Mr. Chairman, I yield to the gentleman from Ohio [Mr. UNDERWOOD].

Mr. UNDERWOOD. Mr. Chairman and gentlemen of the committee, I can not let this opportunity pass without voicing what I believe to be the overwhelming sentiment of the people of the State of Ohio, and the Eleventh district, upon the Muscle Shoals proposal now before Congress. They have followed this proposition from its beginning to the present. In common with the people of our country they realize that it has tremendous possibilities, and consequently a proper disposition of it by us will vitally effect and benefit every man, woman, and child of this Republic.

Muscle Shoals is only one of the many great war projects brought into existence during the late world conflict for war purposes. The expenditure of millions of dollars of the taxpayers' money was authorized under the national defense act for two purposes: First, to provide for the manufacture of nitrogen to supply munitions of war in time of emergency;



and second, to produce and supply fertilizer for the American farmer in time of peace. These were the purposes for which the plants at Muscle Shoals were located and constructed by our Government, and these purposes should be kept clearly before us in their disposition.

I am not in favor of scrapping and selling the Muscle Shoals plants as junk, as has been done with many other war enterprises, which have been sold for one-twentieth of their cost and less. I am in favor of the Ford offer for the reason that it is the only real and honest proposal made to our Government for the development of Muscle Shoals. It is true that the Alabama Power Co., almost entirely owned and wholly controlled by British capital and British interests, has submitted an eleventh-hour proposal through the press and by their spokesmen on the floor of the House, for the development of Muscle Shoals. This offer is not made in good faith, but is a smoke screen to defeat an honest proposal. I agree with the provision written into Ford's proposal, that Muscle Shoals should always be held and controlled by American citizens, and by American citizens only, reserving to our Government the right to retake and use this enterprise during the emergencies of war.

The majority of the committee considering this legislation have favorably reported this bill and have recommended the acceptance of Ford's offer. This question has been thoroughly discussed through the press and by the people of our country for the past three years, and has been ably argued here for several days. If it were for the best interests of the people of our country for our Government to complete, maintain, and operate Muscle Shoals, I would heartily favor such a proposition.

Two courses are open to us: One Government ownership and operation, which in view of the character of the project would, in my judgment, mean not only failure from the standpoint of income but disaster to the hopes of the farmers and other users of commercial fertilizer. To have the Government undertake to engage in the manufacture of fertilizer ingredients with political superintendents, foremen, and straw bosses is unthinkable. To undertake such a scheme would be unspeakable folly.

The other course is to sell the tangible property to private individuals, or to a corporation, on conditions prescribed by Congress, lease the power at a fair rental, and permit individual American initiative and ingenuity to have an opportunity at this place, where the greatest water power in our country can be developed, requiring the preservation of the element of national defense and at the same time giving an opportunity for relief, if such there can be, to our entire country, in the way of commercial fertilizer at reasonable prices.

Is this possible? Does the Ford proposal promise such a consummation? I feel that it does, or at least it is the only proposal yet made by anyone that even gives ground for hope. It is of such great potential possibilities that I feel assured that action by Congress should be prompt and final and a satisfactory adjustment of the matter reached.

Much time and effort has been expended in attempting to get the fertilizer industry and private capital interested in taking over and operating the Government plants at Muscle Shoals, but no offer worthy of serious consideration by this Congress has ever been made except that of Ford.

The capital of our country has been decidedly opposed to engaging in any partnership arrangement with our Government. It has not been seriously disputed by anyone that if Ford's offer for Muscle Shoals is accepted by this Congress, that he can and will make fertilizer at Muscle Shoals of a far better quality at one-half the present cost of fertilizer. This would, no doubt, destroy the Fertilizer Trust and accounts for the stubborn opposition of all the fertilizer interests in this country to the Ford offer. They first said that Ford could not make fertilizer at Muscle Shoals, and when this was disproved, they then claimed that even if he could make fertilizer there he could not make enough to amount to anything. If they were honest and sincere in their opposition and their business would not be affected by the operation of the Muscle Shoals plant by Ford, I think the country would be interested in knowing why they have opposed the Ford offer. It is admitted that if the Ford offer is accepted and he manufactures 40,000 tons of fixed nitrogen annually at Muscle Shoals, to which he binds himself, his estate, and the corporation which he agrees to organize, and begins operation with a paid-in capital stock of \$10,000,000, that the prices fixed for this fertilizer would fix and control the prices of all fertilizer used in the United States. The Fertilizer Trust and the manufacturers of fertilizer know this to be true and it explains their opposition to the Ford offer.

The farmers of the United States are spending at the rate of \$300,000,000 a year for fertilizer. A reduction of one-half in cost means a saving of \$150,000,000 annually. The farmers of

this country pay the Chilean Government \$11.80 a ton as an export duty on Chilean nitrate. According to the Department of Commerce this amounted to \$11,239,384 for the fiscal year 1923. The 40,000 tons of fixed nitrogen which Ford agrees to produce is the equivalent of about 2,500 tons of Chilean nitrate. If Ford's operation of Muscle Shoals resulted in nothing more than in eliminating the export duty collected by Chile for the privilege of purchasing nitrate in that country, it would have paid a dividend to American farmers and consumers of more than 5½ per cent on \$200,000,000. It is not disputed by authorities anywhere that the acceptance of the Ford offer and the establishment of the nitrogen industry at Muscle Shoals will reduce the cost of fertilizer one-half.

The annual fertilizer bill of the farmers in the State of Ohio has increased from \$4,180,485 to \$13,206,018, or 215 per cent in 10 years. When the farmers of our county and my State can get fertilizer for one-half of what they have been paying for it, they will double and treble their purchases, and will by so doing double and treble their production per acre. It is estimated that in 1930 our annual fertilizer bill for the entire country will be more than \$800,000,000. Gentlemen, we must seriously consider the question of cheaper fertilizer for our farmers. When Ohio buys more fertilizer than Florida, and Missouri buys more than Louisiana, and Michigan buys more than Tennessee, the fertilizer problem can no longer be declared a matter of sectional interest.

We must maintain and restore the soil fertility of our country. I have heard a great deal of talk here in the last few days about fertilizers, but it is a simple proposition. Soil fertility can only be maintained by replacing into the soil those elements that the crop takes out in its growth. That is the only way you can do it. Year after year we have been taking millions of tons of the three plant foods of which our supply is most limited—nitrogen, phosphoric acid, and potash—without replacing them. The once wonderfully fertile soil in many sections of our country has been unable to stand the strain and is practically exhausted. We have the equipment and abundant resources at Muscle Shoals to manufacture high-grade fertilizers that will restore our virgin soil, if properly utilized.

As one who spent his early life on the farm, I realize the benefit which the farmers of our country and in my State and district would derive from an adequate supply of cheaper fertilizer. Approximately 2,000,000 people have left the farm during the past year. We have many deserted farms which could be made profitable if it were not for the high cost of fertilizer which faces the farmer.

I have carefully studied the Ford proposal and I believe the interests of our Government are safeguarded in every respect. In the short time allotted me I can not discuss the proposal in detail. Muscle Shoals has cost our Government many millions of dollars. Shall we spend millions more of the taxpayers' hard-earned money, or turn Muscle Shoals over to the only American who has come forth with a satisfactory proposal to operate it for the benefit of the American people?

Mr. Chairman, the farmers of this country are paying war-time prices for many of the necessities which they use in the home and on the farm. They are receiving deflated prices for their farm products. At the present time the farmer's dollar, measured in other than farm products, is worth approximately 60 cents. Their beef, pork, grain, and other products of the farm are selling at low prices in the market. They have been toiling from early morning until late at night only to find that they are not making more than a bare living. In many instances they are facing a shortage at the end of the year.

We have an opportunity to help them by voting for this bill. By helping the farmer we will also help the business men, wage earners, and consumers of the entire country.

I favor the acceptance of the Ford offer because it will convert a large war-time expenditure into a peace-time investment which will result in a great benefit to the entire country. Congress should not consider this question from a partisan standpoint. It affects all the people. It is one of our big economic questions. [Applause.]

Mr. QUIN. Mr. Chairman, I yield to the gentleman from New York [Mr. BOYLAN] for five minutes.

Mr. BOYLAN. Mr. Chairman and members of the committee, I was surprised to hear my distinguished colleague from the city of New York assume the attitude that he has on this bill. I do not hold any brief for Henry Ford, but I do believe that something should be done with the great natural resources at Muscle Shoals. As a member of the Military Affairs Committee I sat and heard the various arguments made before that committee, and in order to answer a few of the arguments proposed by the gentleman from New York, whom I honor and esteem and whom I would be happy to follow and who I think would be glad

to follow us sometimes, and say to him that the cost of fertilizer will be reduced one-half to the farmers of this country if this property is turned over to Henry Ford.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. BOYLAN. Yes.

Mr. LAGUARDIA. Will the gentleman give me those figures? I have been trying to get them for some time.

Mr. BOYLAN. I will be glad to. The latest statistics that we have show that the cost of fertilizer is \$40 a ton, and that under this project operated by Henry Ford it will cost \$20 a ton.

Mr. LAGUARDIA. Is that a guess or a calculation?

Mr. BOYLAN. It is a calculation, and the gentleman will find it in the report of the engineers. It is no mere matter of guess, but it is a calculation. Now he says that turning over these great natural resources would make Ford the industrial king of America. I say more power to the industrial king of America. He is a product of America, he is a product of our civilization, he is a product of the opportunity that our country affords, and the same opportunity is open to any other citizen of our great Republic. [Applause.] What has he done to make life easier and better? Where and in what part of the world can you go and not find a Ford car? The gentleman from New York speaks derogatively of him, but I want to say that it was the first car that I ever owned, and some of the happiest hours of my life have been spent in driving a Ford car.

I am sure that no breath of scandal or suspicion was ever uttered against him in the accumulation of his money. [Applause.] Not a single solitary breath of scandal has ever been around his name, and therefore why should we not take the only thing we have in the world to judge of—the future by the past. If a man has lived decently and honestly for sixty-odd years, why should we not assume that he is going to live the rest of his life in the same upright way?

Mr. LITTLE. Will the gentleman yield?

Mr. BOYLAN. I will.

Mr. LITTLE. The gentleman says that no breath of scandal has ever reached him; have I not heard some little criticism of him in regard to the Senatorship and the expenditure of large sums of money?

Mr. BOYLAN. I think the gentleman's question is extraneous to the issue here.

Mr. LITTLE. That may be so. I may not be right about it.

Mr. BOYLAN. The gentleman may be right, but I do not think it relevant to the question we are now discussing.

The gentleman from New York says that the bill was not drawn here in Washington but that it was drawn by Henry Ford. The gentleman knows that a certain offer was made by Henry Ford and the bill was drawn to cover that offer of Henry Ford.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. BOYLAN. I will yield to the gentleman.

Mr. LAGUARDIA. Does the gentleman believe that a contract with a private individual should be written into the law and made a part of the statutes of the United States?

Mr. BOYLAN. Not without due and proper consideration; not without a careful scrutiny by eminent legal minds like those of the Committee on Military Affairs.

Mr. LAGUARDIA. Never in the history of this country was anything of that kind ever done.

Mr. GARRETT of Texas. Never was any proposition of this kind before the country.

Mr. BOYLAN. If you go into the realms of subterranean history you might be able to quote a thousand instances where it has been done.

Mr. WYANT. Will the gentleman yield?

Mr. BOYLAN. Yes.

Mr. WYANT. If as a result of obtaining this property nitrates will be made at a reduced cost, why is it that five of the largest farm organizations in the United States have failed to indorse this proposition?

Mr. BOYLAN. As I understand it, the allied farm organizations have indorsed it.

Mr. WYANT. Did the gentleman hear ex-Senator BURTON's remarks?

Mr. BOYLAN. I heard part of them.

Mr. WYANT. As a matter of fact the farm organizations have not indorsed it.

Mr. BOYLAN. I received a letter from a farm organization this morning, signed by a gentleman who in the Legislature of the State of New York was called the "Accelerator," and in this letter received this morning he says it is opposed by his farm organization.

The distinguished gentleman from New York [Mr. LAGUARDIA] says that if we give this concession to Henry Ford we will tear down the flag in this Hall and put up the dollar

sign in its stead. That is not what would happen, Mr. Chairman. If we should give this concession to these power companies we would then tear down the American flag and hoist the British ensign there, because the Canadian company owns the southern power companies.

Mr. LAGUARDIA. The gentleman from New York is against giving it to any company.

Mr. BOYLAN. Personally, I would be very glad to see the Government operate it, but that is against the Government's policy. I do not want to see something done. I do not want to see this bill camouflaged coming in at the eleventh hour and saying, "Oh, we have this plant; we will do it; this is the thing to do if it is going to be successful," and then after the day and the hour have expired and Congress has adjourned have nothing done.

We want something done, and again, in answer to the gentleman, let me say that, according to the figures submitted to the committee, the scrap value of the plant is but \$16,000,000 and not \$100,000,000. In conclusion, I say something ought to be done for the people of the South. This thing does not mean anything to me; it does not mean anything to my district, but I am a lover of my country and I would be glad to cooperate with any part of it in anything that is going to increase prosperity, that is going to enhance the value of the farms, going to build up a new city along the Tennessee River, and radiate back from the Tennessee to hundreds of other towns power that will be used in the production of merchandise that will help the entire country. [Applause.]

Mr. MORIN. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. FROTHINGHAM].

Mr. FROTHINGHAM. Mr. Chairman, this is a proposition which affects not one particular section of the country, but every part of the country, because it affects the taxpayers for one reason, and because it affects the national defense for another reason, and for a still further reason, because the question is put up to this Congress to make the best bargain that we can, if we are to dispose of the Government's property. The gentleman from New York [Mr. BOYLAN] who just took his seat, said that he wanted to do all that he could for the South. I am sure that we all feel that way. I have lived in the South and I have many friends there, but the question is whether this is the best thing to be done and how it is possible for any State in the South or anywhere else to get any water power out of this proposition, if this company is to utilize it for its own purposes, and only for its own purposes, is beyond my comprehension. This matter has been before this committee for discussion for two years. Last year a measure was reported somewhat different from the one now before us and only three members of the committee were in favor of it. It was put before this House. Some Members favored a different proposition and some of the committee favored a still different one. Only three members favored the bill that was actually reported. That was reported out because they wanted to get it into the House. It never came before the House.

What are the objections to this proposition? There is no need to bring in names or personalities. Mr. Ford will not live for 100 years, and, personally, I should be willing to see Mr. Ford's company get this, if it will come up to certain propositions and cure certain things in the bill which I think are absolutely not only objectionable but impossible as they stand. In the first place, if that dam breaks, and it is perfectly possible that an earthquake should cause an upheaval there, or if some crank should dynamite the dam and injure it, or if anything else should happen, who pays for the damage and who has to build up that dam? The United States Government.

Mr. Ford, it is true, has agreed to pay \$35,000 a year as far as Dam No. 2 is concerned and \$20,000 a year as far as Dam No. 3 is concerned, but that would not even be a drop in the bucket, because it would cost not only thousands but millions of dollars to build up those dams again or to repair them in case of injury. There is not a dam in this world that has stood up for 100 years of time. Not only that, but here you are giving this away for nominal terms, for not even a 4 per cent interest is to be paid on all that is invested and will be invested in these dams if this company gets it. They do not propose to pay even that interest until six years after the lease goes into effect in the case of Dam No. 2 and not until after three years in the case of Dam No. 3.

This power will be absolutely unregulated. It does not come under the Alabama statutes, because those statutes provide that in case the power is used by the owner himself the statute does not apply, and in case it is furnished to his tenants the statute does not apply. In case he furnishes the power to a subsidiary company the statute does not apply. There is no provision in this act which puts it under the water power act of the United



States. Consequently this power would be given to a great corporation without any regulation whatsoever.

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

Mr. FROTHINGHAM. Yes.

Mr. MADDEN. Does not the gentleman know that the Water Power Commission has no power to regulate rates?

Mr. FROTHINGHAM. Oh, I beg the gentleman's pardon.

Mr. MADDEN. All rates are regulated by the States.

Mr. FROTHINGHAM. I say that the regulation will not be even by the States.

Mr. MADDEN. You can not take the power away from the States to regulate it.

Mr. FROTHINGHAM. I beg the gentleman's pardon. There is no provision in the statute of Alabama under which any one of these things which I have mentioned can be done. If Mr. Ford's company uses the water itself for its own use, if any subsidiary corporations use it, if any tenants of his use it, or if he sells it to subsidiary companies, there is no provision in the Alabama statute that the State of Alabama can regulate the rates.

Mr. MADDEN. If he sells the power, the rates will be regulated.

Mr. FROTHINGHAM. Oh, no; that is just what I say. That is what the statute says. Those are not my words, but they are the words of the statute.

Mr. Chairman, there have been all sorts of propaganda and all sorts of errors abroad about the provisions in this bill. Why not read the bill and stick to the bill. This argument ought to be conducted upon a high plane, and it can be so conducted by arguing merely on the printed words in the bill. There is going to be no regulation under what I have said, either by the State of Alabama or by the United States Government.

The fertilizer proposition is the important part of this bill. If this company under this measure can be forced to manufacture fertilizer, forced to manufacture it cheaply, there is some excuse for passing the bill.

But it does not. There is not a word in this measure that requires this company to manufacture fertilizer at a given price. What you ought to do is to say he shall manufacture at a given price because if you say he shall manufacture it if there is a demand, if he does not manufacture it cheaply of course there will not be any demand. Why do not you put in a provision and make it go in the deed and have it run as a covenant running with the land that this company, as suggested, has to manufacture fertilizer at such and such a price and so much fertilizer—make it run with the land providing if that is not done this property shall be forfeited. Now there are two propositions here—

Mr. WYANT. If the gentleman will permit, it has been stated upon the floor of this House that this fertilizer was to be produced for \$20 a ton and Mr. Ford agrees. Do you not think it should be incorporated in the bill?

Mr. FROTHINGHAM. I do not see it in the bill. I sometimes have to use glasses, and I have read it both with and without glasses and there is no such provision in the bill.

Mr. LAGUARDIA. It might be a good thing to put it in the bill.

Mr. FROTHINGHAM. That is what I suggested. If this is simply bunk for the farmers that is a different matter. Now there are two propositions here, one for the sale of certain property down there on which the Government has expended some \$84,000,000 or will have expended it if these requirements go through; \$84,000,000, and that property includes villages, buildings, two nitrate plants, one of which, like a battleship, should not be sold, and certainly probably should never be leased, but kept for the protection of the United States Government in time of war like a battleship.

Mr. MADDEN. Will the gentleman yield for a question?

The CHAIRMAN. The time of the gentleman has expired.

Mr. MORIN. I yield the gentleman five additional minutes.

Mr. MADDEN. I wondered if the gentleman recollected the plant erected by the Government during the war at Nitro, a smokeless-powder plant, and the one at Old Hickory, the aggregate cost being \$145,000,000, which have been sold by the Government since the war for \$12,500,000, and on these plants there were houses, sewers, water mains, all the facilities such as the plant now existing down there?

Mr. FROTHINGHAM. I do not complain about the facilities there, but if we made one mistake there is no reason why we should make another, and the greater mistake in one case the less reason there is for making another in this case. [Applause.]

Mr. ALMON. If the gentleman will yield, does not Mr. Ford's offer in this bill provide for the Government retaining

the interest in the nitrate plant for national defense purposes, and which the company could never sell and convey title to that property, and in the case referred to by Mr. MADDEN there was an absolute outright sale?

Mr. FROTHINGHAM. I understand it is provided in the bill that nitrate plant No. 2 should be kept in a stand-by position. I understand that is the only property that is not conveyed to him which he can not sell the next day, but he can sell the rest the next day and put the money in his pocket.

Mr. ALMON. The gentleman is mistaken about that.

Mr. FROTHINGHAM. There is nothing to prevent it being sold except nitrate plant No. 2; and if the Government takes that back, the corporation has to be paid; and that is another provision that ought to be in this bill, that the Government can take it back on the same terms and at the same price.

Mr. WAINWRIGHT. Will the gentleman yield?

Mr. FROTHINGHAM. I will.

Mr. WAINWRIGHT. Does the gentleman find any language in this bill which prevents Mr. Henry Ford, after he has acquired title to the nitrate plant, from disposing of it, or his corporation?

Mr. FROTHINGHAM. Only as far as I have said he can sell the next day.

Mr. ALMON. Will the gentleman yield?

Mr. FROTHINGHAM. I can not at the moment. Now, it may be thought that it is wrong to ask that the water power act apply to this measure. The only reason that I have heard given why it should not is that it also includes fertilizer. But I can not believe, with the good sense of this House, that this bill will pass, at any rate not without amendments, among others, cutting the 100 years. Why, gentlemen, the Government of this country has not been in existence over 135 years. One hundred years ago, in 1824, there were only 24 States in this Union, and the population was less than 10,000,000 people, whereas now it is 110,000,000. Nobody can tell what will happen in 100 years. Should we mortgage ourselves for 100 years? If the people wish to vote for it, it is their privilege to do so; but personally I merely ask opportunity to be recorded against this measure, so when future generations—when this question comes up, as it will come up—ask why did Congress will away this property for so many generations, my name will be recorded in opposition to any such grant. [Applause.]

Now, gentlemen, you may think I am conservative, but I want to read what was said by a Senator of the United States, Senator NORMAN, who last year got out the printed report on this measure. I read a few words merely, part of it, and it will take but a short time.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MORIN. I yield the gentleman two additional minutes.

Mr. FROTHINGHAM (reading)—

The plain, cold facts are, however, that giving this corporation credit for every cent of money that it pays at the time it pays it, either for interest or the so-called "amortization," we find that the cold mathematical conclusion is that the corporation has not only not paid any of the principal but it has only paid 2.85 per cent interest on the Government's investment. In other words, it means that the Government has, in effect, loaned to this corporation from \$70,000,000 to \$75,000,000 at 2.85 per cent interest for 100 years, and has never received back one cent of the principal. This result would follow the acceptance of the Ford offer. We must not forget, however, that this great financial gift to this corporation does not end the privilege that comes to it under the Ford offer. Not only are the taxpayers financing this corporation at 2.85 per cent interest on a 100-year basis, but they are giving to this corporation unrestrained and unlimited liberty to sell the products which it manufactures without any regulation whatever. It will be the only instance in the history of the United States where the taxpayers have been called upon to furnish money to a corporation at less than 3 per cent interest, on a hundred years' time, and to give to the same corporation unrestrained and unlimited power to use the electricity developed on a navigable stream without payment and without regulation.

It seems inconceivable that in a Republic representatives of the people could be induced to even consider a proposition that turns over to a corporation without regulation the power developed on a navigable stream and then furnish the corporation money out of the Treasury at a nominal rate of interest for a period of 100 years. There are many instances in history where kings and monarchs have given away valuable concessions belonging to the people to some favorite prince or corporation, but there can not be found anywhere in the history of civilization where such monarchs have provided that in addition to giving such a valuable concession the taxpayers of the country should be called upon to finance it for the benefit of the favored donee.

[Applause.]

Mr. QUIN. Mr. Chairman, I will yield 34 minutes to myself.

The CHAIRMAN. Before the gentleman begins, the Chair would like to advise Members who have reached a conclusion on this matter and do not care to listen to the debate to retire to the cloakroom. There is unusual confusion throughout the Hall this morning, and it is not fair to the speakers. The Chair has warned Members two or three times that those who do not want to listen should retire to the cloakroom and give the speaker a chance and give those who want to hear him the opportunity to hear him.

Mr. QUIN. Mr. Chairman and gentlemen of the committee, I have listened to the debate and have observed what the opponents of this Ford proposal have indicated to be their lines of reasoning and objection. We must start out in this argument with some basis upon which to base our discussion. The opponents of this measure fail to show truthfully any real reason why it should not be adopted and accepted by this Congress.

The gentleman from Ohio [Mr. BURTON] started out, in my judgment, upon a false premise. Only in 1916 the Congress of the United States passed what is known as the national defense act. I happened to be a member of the Committee on Military Affairs, where that bill originated, and I know from its inception up to this day what transpired with reference to that legislation and what obstacles it has met at every turn of the road.

Section 124 of the national defense act provided specifically that a plant of this description should be erected somewhere in the United States. Fundamentally it was for two purposes—first, to make nitrate, to be used for explosives in time of war, and, second, to be used for the manufacture of fertilizer for the farmers of the United States in time of peace. Approving both of these objects, I was an ardent advocate of section 124 of the national defense act. For obvious reasons Congress did not say where that plant should be located, but left it to the President of the United States, who appointed a commission of learned engineers. Out of all the Territories and States of this Union these engineers selected Muscle Shoals, Ala., as the proper place to locate this nitrate plant. Upon that basis in 1917 ground was broken at Muscle Shoals.

Can you gentlemen visualize what that place was and what it was intended to be? It was a wilderness, with tall trees growing on the banks of the Tennessee River, and those trees had to be cleared away. They started to build a dam there across the Tennessee River practically 1 mile long. When war was started the Government cleared away the timber and hurriedly erected what is almost a young city and two nitrate plants and a big steam power plant. All the thieving contractors, like the Air Nitrogen Corporation, got in their work on cost-plus contracts in erecting these plants and houses at outrageous prices, and some of you gentlemen pretend to argue that that mushroom city of empty dwellings, with paved streets, and two nitrate plants and a steam plant, is worth a whole lot of money. The truth is, it is practically worthless junk. It has a salvage value. The steam power plant in connection with the dam, when completed, will be worth some money. I lay down the proposition that after the armistice was signed in 1918 the very men who opposed that provision of section 124 of the national defense act opposed the completion of that dam, so much so that their friends in Congress turned it down and stopped every wheel from turning so far as work on the dam was concerned.

What happened? The Secretary of War, Mr. Weeks, in 1921 invited the world to bid for the Muscle Shoals plant and a lease on the dam to carry out these two primary purposes for which it was intended. Henry Ford, of Detroit, Mich., submitted a bid. So favorably was it considered by the country that the Committee on Military Affairs of the House and the Committee on Agriculture in the Senate began hearings, taking evidence, to see if Mr. Ford could really accomplish the things contemplated and what he promised to do.

We went down to look over the enterprise at Muscle Shoals. We saw that so-called city that they speak of as a lot of temporary houses put up, we saw the nitrate plants and steam power plant. We saw the water of the Tennessee River flowing through and over the partially constructed Dam No. 2. We saw the river flowing toward the sea as it did 600 years ago when the Indian with deer hide around his loins flourished his tomahawk in the surrounding wilds; and yet it is said that the Government of the United States should not give heed to the offer of Ford.

When it was seen that Ford meant business, then Congress put up money to continue work on the dam. That work has been continued until this day, and the dam will be completed by July, 1925. Gentlemen who oppose this measure on the ground that it violates the water power act should listen to this: The water power act was not passed until 1920. In 1916 this place was set aside by Congress for the United States Gov-

ernment forever to keep its strong arm on it, for the purpose of its being made a nitrate explosive production plant in time of war and a plant for the production of fertilizer for the farmers in time of peace.

We know that the gentlemen who oppose it come along with smoke screens, just like these arguments that have been put up here. It is my judgment that we can knock down every one of those smoke screens and brush aside the Dolly Varden arguments like those of the gentleman from Iowa [Mr. HULL], and the gentleman from New York [Mr. LA GUARDIA], which can all be brushed aside as immaterial and irrelevant to the issue pending before the House.

Mr. LA GUARDIA. Mr. Chairman, will the gentleman yield?

Mr. QUIN. I can not yield to anybody, because I must consume this time in legitimate argument. [Laughter.]

Gentlemen know that a hundred-year lease or a ten-year lease or a fifty-year lease or a million-year lease makes no difference, so far as this great Government plant is concerned. The gentleman from Ohio [Mr. BURTON] made an ingenious argument here on that ground, when he knows that the Government itself had this project set aside as a sacred and holy investment of the American Government, and that no bureau would ever put its hands or fingers on it in any way to jeopardize its success; and that is the real reason why the Committee on Military Affairs has met with all the opposition in the hearings that we have had on this proposition. When we started Wall Street came out against it in the open; the big men allied with the great interests who endeavored to kill this plant almost had Wall Street mapped out on their foreheads for folks to see.

This is the first time I have ever seen them come out in the open since I have been a Member of the House. Before they have always dodged and kept in the background, although they had their emissaries here, but this time the real gentlemen themselves came before the committee.

Now, gentlemen, the main opponent of this measure, outside of the selfish and greedy fertilizer companies, and the aluminum trust, and the organized water power companies, is the Alabama Power Co., and it is the papa of all of them.

Mr. WYANT. Will the gentleman yield?

Mr. QUIN. I can not yield; excuse me, please, sir. Another opponent of the measure is the Wall Street financial and banking interests, which hold the securities of all the different groups of enterprises which want the water power at Muscle Shoals and to keep Henry Ford from making cheap fertilizer, chemicals, and aluminum.

Bear in mind that if Congress keeps faith with the people of this Republic the Government is bound to operate that plant itself, or to do it by a lease, and make fertilizers for the farmers throughout all of this country during peace times. I assume that every man on this floor is an honest man and wants to abide by a contract which his Government has already made with the people of this Republic.

Mr. Ford has put in his offer a provision whereby at least 20 per cent, and I believe one-fourth, of all the fertilizers to be consumed in the United States for farming purposes at this time is to be manufactured there, and that 40,000 tons of fixed nitrogen, or its equivalent in mixed fertilizers, shall be produced annually throughout the 100 years' time. Mr. Ford provides further that he will keep that nitrate plant ready for war purposes, with his whole organization available, perhaps thousands of men ready to begin making explosives to be used in the mouths of cannon in time of war, by simply blowing the whistle and sounding the alarm.

Yet they object to that. They object because, as Mr. McDowell said, there is already a surplus of nitrogen and fertilizer production and the farmers do not need any more—and Mr. McDowell is the president of the National Fertilizer Association—and he stated that practically every manufacturer of fertilizer in the United States was a member of it. He identified himself as being the head of 20 or 30 fertilizer factories that Armour & Co. operate in the United States and elsewhere, and he knew whereof he spoke. He contended we did not need any nitrogen, because we already had a surplus and more than the farmers needed. He contended that we did not need any more manufacturing plants for the making of fertilizers, because we already had a greater capacity by 150 per cent than was needed.

There is the source from which the real opposition came. That was in April, 1922, and the farmers of this country were then suffering for fertilizers, yet the president of the fertilizer association of this Republic testified that 116 per cent had been added to the freight rate on fertilizers since 1914 in the Southern States, 120 per cent in the Northern States, and in some sections of the country 200 per cent had been added in freight rates.



The chief objection, according to the president of the fertilizer association, to Mr. Ford being given this contract is that the farmers of the United States already have more nitrogen than they need.

Now, you listen. The first thing they did was to endeavor to prove that Mr. Ford could not make fertilizers there. They had experts come before the committee, men with great long titles, doctors of chemistry; they had them from the ordnance department of the Government; and they had some of the biggest "know nothings" about fertilizers I ever heard of come before the committee, and some of them were out of universities and colleges. But we finally found a young man, Mr. Swan, who was already making concentrated fertilizers. He proved what some of us already knew. I was raised on a farm, and knew how to make lye soap out of the oak and hickory wood by putting the wood ashes into a barrel, pouring water on it, and getting lye from that, which is a form of potash, and making it into soap.

We know from actual experience on the farm that that can be done, and yet those men with great intellects, with their minds swimming in the air, tell us that Ford could not make fertilizer down there, and if he did it would cost twice as much as it would anywhere else. However, we knew they were either mistaken or very seriously prejudiced against the farmers of this country. But it finally developed, after Mr. Swan had demonstrated he could make it, that it could be made at half the price in concentrated form.

Now when 2,000 pounds of fertilizer is shipped to a farmer it means that 1,680 pounds of it is sand, and the freight on that 1,680 pounds of sand costs as much as Ford can make the 320 pounds of concentrated fertilizer for. Yet that gentleman at the head of the fertilizer interests of this Republic said that Mr. Ford could not make it there and that even if he could make it there it would cost more than it would cost anywhere else. But they forget that Mr. Ford would be located there with all of the natural elements around him with which to make fertilizer. He will have the lime there, the phosphoric rock, and the nitrogen in the air to be drawn down through any process he wants to use.

Now, much has been said about nitrate plant No. 2. Let me call your attention to the fact that every single ounce of stuff, practically all the machinery, in that plant is now worth nothing except as old junk. Now, Ford wants it to engage in the fertilizer business, and the first thing he will do will be to throw out all of that scrap stuff, sell it for junk, get it out of the way, and put in a modern, up-to-date plant. And what will he make there? He will make fertilizers, as the waste product from all of these chemicals, drugs, and metallic by-products—drawn down from the atmosphere—through processes already known to his chemists.

Gentlemen say the Government of the United States is giving him a great gift and he can do nothing. They first said he could not make fertilizers. Then, when I called Mr. McDowell's attention to Mr. Ford's evidence to the effect that he could make it for 50 per cent less than it cost now, and you will find it in the testimony, where he said, first, "Ford could not do it unless he would steal the stuff, and he knew he could not do that." That was the opinion of the president of the Fertilizer Trust of the United States in 1922; yet the same gang, headed by their papa, the Alabama Power Co., which is controlled by a Canadian corporation, and alien citizens own the majority of the stock and are back of that company, come along and say, "We can now make it for half of what it is made to-day." The men who, in 1922, said Ford could not make it at all, and if he did, it would cost him twice the amount it was then costing, now come along and say, "We ourselves can make it for half of what it is being made elsewhere to-day. Just let us have the water power so we can sell the current."

You listen. This fertilizer will be in a concentrated form. A ton of it to-day goes out to a farmer, and he wears out his teams hauling it from town, and 1,680 pounds of it is common sand.

Mr. HILL of Maryland rose.

The CHAIRMAN. The gentleman from Mississippi declines to yield.

Mr. QUIN. We propose to have the farmers of this country, through Mr. Ford, get their fertilizer in its concentrated form, and the farmer will have no freight to pay except on the actual concentrated 320 pounds, which will be mixed with 1,680 pounds of sand right on his place, and he has his ton of fertilizer ready to be placed on his soil. He will mix this himself and save the bagging, the sacking, the freight, and the hauling. You will see what this means. It means the farmers of the United States will save 80 per cent of the price of fertilizer to-day [applause], because, according to the evidence of

Mr. McDowell, 35 per cent of the actual cost of the fertilizer is in the transportation charges.

These same men stand up here and argue against the farmers of this country having this plant run through Henry Ford, the man who is going to save the Government, according to our ordnance officers, \$400,000 every year on replacement of machinery in the nitrate plants.

This will save in addition to that \$200,000 a year upon the actual expense of the plant. It will save \$125,000 a year on the locks for the dams, and yet they say that Ford is assuming no burden. Tell me that the people of the United States, if they properly understood this proposition, would not want to drive out of Congress these pretended friends of the farmer who desert him in the hours of distress. There is nothing but a plain issue before us. There are two flags here to-day. It is a question of whether you will stand by Wall Street, and all the trusts I have named, or the men who own plantations and can go out and supervise them and have tenants and so on, not able to clear expenses, and the poor man, who with his wife and children goes out himself and toils in the field and comes back home tired and worn out at evening, who will say, "Where was my Congressman when Henry Ford's proposition came up, and [applause] when the Congress of the United States was trying to give me fertilizer which I could buy at a decent price and make 3 acres of land produce more than 10 acres of land without fertilizer." All of the grains, all of the vegetable products, all of the cane, and all of the cotton must have fertilizer put under them in nearly every locality.

You have here a process for taking the nitrogen out of the air. Not only that, but Mr. Ford's chemist has demonstrated that the fertilizer will be nothing but a sort of waste product just like when you run the sugar cane through the mill and part of it comes out as waste, bogus, and just like the sawdust in a sawmill.

In connection with this air business he will make at least 30 different fine chemical by-products that will sell for fine prices. He can make a lot of metallic by-products of high value, and in taking out of the atmosphere all of these fine chemicals there will be included even cologne and even the yeast that will go into the biscuits you eat and with all these different things that will be made; Ford, with his ingenuity and his money, will have fertilizer so cheap that he can actually pay a man to haul it out and give it to the farmers. [Applause.]

In addition to this, after the lapse of 100 year's time, he will have saved the Government of the United States more than \$80,000,000 in actual cash, and any man who will read these figures can see that. I will put into the RECORD a set of figures that I want every sensible man in the United States to see.

#### Financial returns to the Government.

[NOTE: The cost of Dam No. 3 has been assumed at \$30,000,000 since the associated power companies and Mr. Ford each agree to pay 4 per cent on that amount, but Dam No. 3 may be omitted entirely without effecting the comparison, the only difference between the offers being that the power companies limit their interest payments to 4 per cent on \$30,000,000 while Mr. Ford pays 4 per cent on the total cost, no matter what that cost may be.]

#### POWER COMPANIES' OFFER.

Interest on cost of Dam No. 2:	
Associated power companies' estimate of the amount of their rental for 50 years (Government exercising its option to install all units), including steam plant.....	\$96,800,000
Interest on cost of Dam No. 3:	
First 3 years, at \$200,000.....	\$600,000
Next 47 years, at 4 per cent, on not over \$30,000,000, or 47 years at \$1,200,000 <sup>1</sup> .....	56,400,000
Total for Dam No. 3.....	57,000,000
Interest for 50 years, at 4 per cent, on payment of Alabama Power Co. of \$3,472,487.25 for Gorgas plant.....	6,944,974
Total returns in 50 years.....	160,744,974
Average annual payment, as above.....	3,214,899

#### FORD OFFER.

Interest on cost of Dam No. 2:	
First 6 years, at \$200,000.....	\$1,200,000
Next 94 years, at 4 per cent on \$34,000,000 <sup>2</sup> .....	127,840,000
Total interest for Dam No. 2.....	\$129,040,000

<sup>1</sup> If Dam No. 3 costs more than \$30,000,000 companies decline to pay 4 per cent interest on its full cost.

<sup>2</sup> Estimate of United States engineers for cost of Dam No. 2, complete, is now \$51,000,000, from which is to be deducted the war-time expenditure of \$17,000,000, leaving \$34,000,000 on which Mr. Ford pays interest.

Interest on cost of Dam No. 3 (taken at \$30,000,000): <sup>3</sup>	
First 3 years, at \$160,000.....	\$480,000
Next 97 years, at \$1,200,000.....	116,409,000
Total interest for Dam No. 3.....	\$116,880,000
Interest at 4 per cent on cash payment of \$5,000,000 for nitrate plants for 100 years, making a total of.....	20,000,000
Amortization fund (at minimum rate of 4 per cent), <sup>4</sup> return of capital invested.....	49,071,935
Maintenance of nitrate plants 100 years, at \$250,000 per year (average annual maintenance cost to date has been \$277,442) <sup>5</sup> .....	25,000,000
The replacements necessary in the nitrate plant on a 100-year basis have been estimated by the Ordnance Department at \$400,000 per year, <sup>6</sup> but, taking half this amount, the total in 100 years would be.....	20,000,000
Total returns in 100 years.....	359,991,935
Average annual return as above.....	3,599,919
Annual financial gain by accepting Ford offer.....	385,020

Henry Ford, my friends, is the man that Wall Street—this great aggregation who are plundering the people—is afraid of. They know that he took an old, broken-down railroad and made it make 35 per cent last year, and it will make this year over 200 per cent, according to the profits it made for the months of January and February. They know that Henry Ford taking this great plant and running the electric current 200 miles in every direction from Muscle Shoals, into Mississippi, Tennessee, Alabama, and everywhere else that it can reach, will be a power in the land. He will be a power for good. He will be a great blessing for the American farmer. The poor people of this country, whenever their welfare was at stake, have been shoved into the background.

These opposing Congressmen erect a smoke screen and say, "We ought not to lease it for more than 50 years." This great expert here from Ohio, I think, voted to give the railroads \$1,687,000,000 in actual subsidy and on top of that a guaranty under section 15A of that one-sided contract known as the Esch-Cummins bill. I think the gentleman from New York [Mr. SNELL] voted the same way. In addition to that, I think those gentlemen voted to give \$750,000,000 in the hard cash of the taxpayers to the private shippers of the United States.

Thank the Lord, the Senate threw it in the wastebasket and saved the people from that outrage which these gentlemen tried to put across. They now pretend they want to protect the taxpayers against Henry Ford robbing the Treasury. My friends out West, you gentlemen who live in the far West, should remember that when the Government of the United States built your irrigation schemes, and I supported them and voted for them and believed in them, it was a subsidy in that we took the water dammed up in those canyons and turned it out on the desert and created rich land where vegetation would grow. The finest alfalfa I ever saw in the world was right out on the desert. You were entitled to that. The farmers of all the East and the West and the North and the South are entitled to this fertilizer at a reasonable price. [Applause.] Not only are they entitled to it but the Nation itself is entitled, under the act, to provide it and keep that plant running there by the Government or by a lease with the Government having its hand on it all the time. Yet you hear men stand up here with a bogus argument and say that Ford is getting a great subsidy out of the Treasury.

Out of the great number of millionaires in America I have not heard a single one of them—and I have been anxiously waiting for them to come before the committee—I have not heard a single one of them make a proposition to give as much as Henry Ford. My friends, all these pretended benefactors, the power companies, united and came in with a proposition to get the power, but they did not want to do anything except to fool the farmers. They said, "We will make up a corporation with \$5,000,000 capital," but they could have put in a lot of junk and moonshine in the corporation and then say, "We could not be forced to carry out the nitrate proposition because it would be ultra vires of our charter. Under the terms of our charter we would have no right under the law to produce nitrates. And our stockholders and holders of our

securities would have the right to get an injunction on the Government in enforcing any such contract." Gentlemen, that is humbug of the first water. The only legitimate offer under the national defense act of 1916 that is binding is the Henry Ford proposition. It is honest, it is legitimate, it stands four square, and every man can be assured that if Congress accepts it it will be carried out.

Who is it that is interested in the farmers having fertilizer? Is it some fellow that lives up in the Bowery of New York [laughter], or is it some person living actually on the farm? I yield to no man on this floor for real sincerity and fidelity in getting help to the farmer. I was raised on a farm. I belonged to the Farmers' Alliance when I was 16 years old, and I remember going out with my good old father to help break up the Bagging Trust, which was robbing the farmers. I am a friend of all labor, and especially people who labor on the farms in this Republic, because I know that on the farmers rest the prosperity of this great Republic of the United States. [Applause.] Grass would grow in the streets of the cities if it were not for the farmers, and instead of having electric lights, instead of having the beautiful show windows and grand stores, if the farmers of the country were to go on strike, if they were to fail for 12 months' time, you would have darkness instead of light, and you would have disaster instead of prosperity. [Applause.] Farmers must prosper if the man in the town and in the city is to prosper. [Applause.] We must give the farmers a square deal. The basic industry of the United States is agriculture.

Way back in the primeval days, when the Indians inhabited all this territory, the farmers went out and cut away the trees, began to grow the products of the soil, and they have gone to the far West and established farms until they reach from the Atlantic to the Pacific Ocean. The farmers to-day have set up a cry of distress and say that they must have the help of the Congress of the United States. Between the failure to enact proper laws and the burdens of transportation the farmer gets caught going and coming. All the stuff shipped to him must bear a high freight rate. All the freight on the stuff that is raised on the farm must be paid for by the farmer instead of the ultimate consumer. My friends, if the farmers of the United States are not protected by this very Congress, they will rise up and condemn you and smite you both hip and thigh. The gentleman from Ohio said the farmers are not for the Ford offer. I will inform him the organization of farmers, 120,000 in number, in Ohio are for the Ford offer. I suppose the gentleman from New York [Mr. SNELL] could find some farmers who need the fertilizer. He will stand under the banner of the powerful representative like Mr. Hugh Cooper, one of the proponents of Wall Street; Mr. McDowell, president of the Fertilizer Trust; Mr. Duke, of North Carolina—these are the men these gentlemen are standing by who oppose the Ford offer to-day and who are against helping the laboring men of this country, who work to earn their daily bread by the sweat of their brow and hardly make enough to pay the taxes on their homes. They are opposed to these farmers who pay for fertilizer two and a half prices to the Fertilizer Trust—according to McDowell they pay 116 per cent more freight on fertilizer now than before 1914.

Now Mr. Ford says that he will go into the making of concentrated fertilizer—40,000 tons to be made every year, or 2,000,000 tons mixed with filler, and have it in any form you want it, concentrated or mixed, and any man who can read plain writing, who has as much education as a small schoolboy, can read the McKenzie bill and see that it is guaranteed that this thing shall be done. And yet, some of these men oppose the act.

It would take something more than thunder and lightning coming down from Sinai to make Brother BURTON and these other gentlemen who want to stand with the Wall Street fellows, say anything for the poor farmer of the country. He is the man who fights our country's battles in time of war. He is the man who maintains the pulpits and keeps up our churches and schools. It is from the farms that we get the big men and the real heads of business enterprises of this country. It is from the farms that we get the high practical-class women who keep up the high standard of civilization of this country. Let us do our part to give them justice, so that they can not only make a bare existence on the farm, but so that they can actually prosper and lay some money aside. Do you know, my friends, that there are hundreds of thousands of farmers who work in this country, not only themselves, but their wives and children, six days out of the week, who wear nothing more than the cheapest kind of clothing and go barefooted in the hot weather?

Those people are the ones who wear homemade galluses, who have on their heads 10-cent hats, who wake to the music of the birds, who have the grace of God in their hearts, who

<sup>3</sup> If cost of Dam No. 3 exceeds this amount Mr. Ford still agrees to pay 4 per cent on its full cost.

<sup>4</sup> See Secretary of War's report on Ford offer (House hearings, p. 7).

<sup>5</sup> Data from Nitrate Division, Ordnance Department, United States Army. The maintenance and depreciation of the nitrate plant (No. 2) are provided for at the expense of Mr. Ford or his company, but in the power companies' offer it is specified that the cost of maintaining nitrate plant No. 2 for war purposes shall be charged either against the farmer or against the Government. Since this expense for national defense manifestly is not chargeable against fertilizer production, it is proper to show it as a credit on the Ford side and to omit it from the power companies' side of the comparison.

<sup>6</sup> Hearing before Senate Agriculture Committee on Muscle Shoals, June 22, 1922, p. 932.



believe everybody is honest and that it is the Congressmen's duty to stand up for the interests of the poor men and women of this country who have no friends in high places. Whenever the time comes that some big enterprise is put before this Congress you can tell the men who stand up with their stentorian voices pronouncing how wise and good it is to loot and rob the taxpayers of the United States under some special-privileged legislation; yet they come up under the guise of being a friend to the taxpayer and say that we must not let Henry Ford have this great plant down there at Muscle Shoals because it will be a subsidy that he is getting for nothing. Do you believe that is good faith? He is the only man in the United States who has offered this much for it. He is the only man in the United States who has guaranteed to carry out the act of Congress which provides that that plant shall always be kept up. Yet they stand up and tell us to look out for Henry Ford. [Applause.]

Mr. MORIN. Mr. Chairman, I yield eight minutes to the gentleman from Maine [Mr. HERSEY].

Mr. HERSEY. Mr. Chairman, I represent an agricultural people who are interested in Muscle Shoals and especially in the manufacture of fertilizers that will reduce the price of that necessity of the farmer. They would prefer that any contract or lease of that valuable public asset should be made or given to Henry Ford. The reason they favor Ford is that he has been successful in the manufacture of his Ford car and because he is reputed to be "the richest man in the world." They believe he would be financially responsible in the execution and performance of any lease or contract he might make with the United States.

If there is any reasonable or practical way to make a contract or give a lease for 50 years to Mr. Ford of Muscle Shoals whereby his millions will stand behind an honest effort to destroy the great monopoly of the 53 fertilizer companies of America who are organized into a great international trust to evade the Sherman law, then I want to support it. If, on the other hand, this bill, for an inadequate and insufficient consideration, will give over to a small and unknown corporation the most priceless water power in the Nation, without any safeguards, security, or protection to the people, then I am against it. The people back home have never investigated this so-called "Ford offer"; we, their Representatives, are supposed to know the facts; we are expected to investigate and protect the United States. In the making of a contract between the people and a corporation like that provided in the bill we are attorneys for the people, and we ought to be very careful in the making of this contract that gives away for a hundred years to an unknown corporation the finest water power of the Nation.

The gentleman from Illinois [Mr. McKENZIE], who made the majority report in favor of this bill, said last Monday:

Finally, my colleagues, this is not an ordinary bill which can be amended by the House at will. True, we have the power, but you must remember that this is a proposal for a contract unique in its character and made possible only by one occupying the unique position of Mr. Ford.

When he submitted his proposal, which all must concede was made in good faith, he said:

"The above proposals are submitted for acceptance as a whole and not in part."

Now, my colleagues, it is up to you to accept this proposal or reject it as it stands, and an amendment to alter its terms is a motion to reject it as a whole.

The issue is plain. Mr. Ford will stand for no amendment to this bill. We must "accept it or reject it as it stands." He has said hitherto that "we must take it or leave it." After a careful examination of this so-called "Ford offer" I am ready "to leave it."

Whoever drew this bill was an artist in his ability to cover up the facts and to put a worthless corporation of straw in the place of Henry Ford and his millions.

The very title of this bill starts out to deceive you. It says that this is "a bill to authorize and direct the Secretary of War to sell to Henry Ford nitrate plant No. 1," and so forth.

Some member of the committee must have been a little ashamed of this deception, for an amendment of the title is proposed on page 19 which reads:

Amend the title so as to read: "A bill to authorize and direct the Secretary of War, for national defense in time of war and for the production of fertilizers and other useful products in time of peace, to sell to Henry Ford, or a corporation to be incorporated by him, nitrate plant No. 1."

The only thing this bill says that Henry Ford promises to do is to form a corporation with a capital stock of \$10,000,000 or

more, to be controlled by Henry Ford, which means, of course, that Ford will control a majority of the stock, and this corporation—not Henry Ford—promises after it has organized that it will enter into and execute all necessary or appropriate instruments of contract to effectuate this agreement. Henry Ford enters into no contract. He executes no necessary or appropriate instruments of contract and nowhere becomes a party to the contract between this unknown corporation and the United States.

The editor of the Manufacturers' Record, December 5, 1923, wrote a letter to Mr. Ford, in which he said:

The situation, therefore, is an entirely different one from the development of an individual business. The Tennessee River and Muscle Shoals are national assets over which the National Government alone has control. In making to the Nation a proposition that Muscle Shoals be turned over to a company to be organized by you, you do not, as I understand it, back this proposition with an individual guaranty or contract to be signed by yourself protecting the Nation in every respect that the rights of the public may be safeguarded to the extreme. I do not think any company having only \$10,000,000 capital, even if every dollar of that be paid in, should be granted a privilege so great, for this would instantly, whenever such a contract was signed, make the value of that scheme worth many times its par, increasing from year to year during all the time of its life.

I am taking the liberty of raising these questions because they are, I think, of very vital interest to the welfare of the entire country, for they concern not merely Muscle Shoals but in the large bear on many problems of the utilization of natural resources controlled by the Nation for the Nation's welfare.

And the same editor, on January 17, said:

From Mr. Ford we have received no reply, which we much regret, as we would appreciate the opportunity of having from him a full statement as to what he is or is not willing to do in connection with Muscle Shoals.

Ford signs no contract. He promises nothing. He signs no guaranties. This unknown corporation can not bind Henry Ford by saying what he will or will not do. Ford's promise, if he has made any, is without consideration, not in writing, and absolutely void under the statute of frauds.

The Washington Post of this morning publishes the following news item:

#### PINCHOT OFFERS SEVEN POINTS OPPOSING FORD PROPOSAL.

HARRISBURG, PA., March 5.—Henry Ford's offer for the Muscle Shoals project, which is now before Congress, "should not be accepted unless and until it is amended to conform to the principles of the Federal water power act," Governor Pinchot declared in a statement to-day. He set forth seven points of the act which he said safeguarded the public and asserted the Ford offer and the bill to accept it sacrifices all but one, that insuring complete development.

These seven points were set forth as:

"First, insure complete development; second, limit the lease to not more than 50 years; third, insure to the public at the end of the lease a free hand to take back the site and works on terms fair both to the public and the lessee; fourth, provide for the regulation of service, prices, and security issues if the lessee is engaged in public service; fifth, secure for the public all profits in excess of a fair return on the lessee's actual net investment; sixth, insure a fair return to the public on Government money invested; seventh, require the lessee to pay his fair share of the cost of storage reservoirs built above his works up to the amount of the benefit he gets from them."

The governor said he had "no objection" to Ford getting Muscle Shoals, "provided the terms on which he gets it are in line with the Roosevelt conservation policies, and provided they secure for the public what the rights granted are worth."

I stand with Governor Pinchot that any bill that comes before Congress shall save these valuable and precious water powers forever to the coming generations, and that they shall be so preserved and used for the benefit of the whole people and ring out wealth and prosperity to the Nation. [Applause.]

Mr. MORIN. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. GRAHAM].

Mr. GRAHAM of Pennsylvania. Mr. Chairman, I see no occasion for excitement or extraordinary earnestness in the discussion of a purely business proposition such as is involved in this measure. So far as I may, I propose to give to my fellow Members by way of suggestion reasons which appeal to my mind why I should not vote for the measure reported by the majority of the Committee on Military Affairs. In doing this I want to speak dispassionately and refer only to things that are apparent on the face of this whole proposition. I have no objection to Henry Ford acquiring this property.

Henry Ford has been an industrial success. He deserves to have the admiration of his fellow citizens for what in the line of industry he has accomplished. If the terms of the offer are made so that they will protect my Government and my country, it matters not to me whether it is Henry Ford, the Alabama Power Co. and their associates, or the three gentlemen who have made a proffer of a third proposition. I am opposed to Government ownership, and therefore feel that the Government sooner or later ought to be rid of the terrible responsibility of this enormous plant, which is a legacy from the late war. It is a burden, but because it is a burden we ought to see to it that when we part company from it proper safeguards are introduced to protect the country, the citizen, and also the person who acquires it in their rights.

This has cost the Government, as I understand the proposition, \$140,000,000 plus. That is an enormous investment. The Government will be required to spend \$60,000,000 or more additional to complete the dam and works called No. 2, the Wilson Dam, and also to complete Dam No. 3. Hence you will have the people of this country making an investment of two hundred and odd million dollars on this job. That presents a profound business proposition for our consideration. What shall we do with it? Is the Ford proposition acceptable? Is the Alabama Power Co.'s offer acceptable? Or is the third proposition one that would be acceptable? In fact, it is our duty to inquire whether any one of these three propositions contains all of the elements that are necessary for the protection of the Government and the people. The question naturally is, How can the Government dispose of this property to the best advantage and still conserve the two great objects that we all confess are the objects of acquiring and completing this plant; that is, primarily, to provide means of defense in case of war, and, secondarily, in time of peace to provide cheap fertilizer for the agricultural people of our country? We all admit that those are the two objects in view in the acquisition and construction of this plant. We must act in this matter in order to avoid as much loss as possible and also incur the least further expenditure of public money. Is not that true? How can this be done?

Three plans are offered, one of which has been approved by the Committee on Military Affairs. Quite a respectable number of that committee have filed a disapproving or minority report. The only plan submitted to us for action is the Ford plan, and you are shut off from voting upon either one of the other two plans. This bill should be referred back to the committee for further consideration.

These three plans have similar arrangements in some respects. All agree that the nitrogen plant shall be maintained ready for use as a defensive war measure. All agree that the maximum production of fertilizer by the cheapest process and with the least expenditure of money shall be obtained. At the same time electric energy is to be developed and used for the good of the surrounding country. This last, however, the Ford plan does not assure. All three plans contemplate the completion of Dam No. 3. Hence they all involve the same amount of expenditure by the Government to carry through any one of these proposals. Two of these plans agree in one respect. I refer to the leases. Under these two plans the dams, nitrogen plants, steam plants, and other properties shall be returned to the Government after the expiration of approximately 50 years. The Ford proposal before us differs from all of these in certain respects. First, it requires a deed in fee simple for the nitrate plants with their steam auxiliaries and one additional plant to be built by the Government. I refer to the Madden amendment to the bill. The Gorgas plant on the Warrior River has been sold, and, as it had been included previously in Mr. Ford's offer, it must be replaced; and out of the Treasury \$3,500,000 is to be taken for the purpose of restoring that plant. Where is that plant to be located? On the property for which Mr. Ford or his company under this proposition would acquire a deed in fee simple.

Mr. Ford's plan overrides the fixed policy of this Government as announced in its legislation concerning the control of water power in that it leases for 100 years instead of 50, and none of the very valuable restrictions which Congress has enacted for controlling the dispensation of water power and its management will be found in the contract by which Mr. Ford acquires leases which are to be executed for power in this proposal. Now, I have tried to analyze for my own guidance this proposition, taking the Ford plan and the existing conditions at the plant. Dam No. 2 is partially constructed. Dam No. 3 is proposed to be constructed. Dam No. 1 has not been constructed. That would mean either a dam or a channel cut through the rocks to make navigation possible for a distance of about 15 miles. If Dam No. 3 is completed, navigation will be extended nearly up to Chattanooga, or a distance of 175 miles.

Now, let us look for a moment at the terms. I am looking only at the salient features of the Ford plan. He agrees to organize a corporation with a capital of \$10,000,000. That \$10,000,000 is to be divided into two parts. Five million dollars is to be used for the purchase of this property—excepting the dams—the nitrate plant, the auxiliary steam plant; and the other \$5,000,000, I presume, will remain as working capital for fertilizer and other things which he proposes to make. What does the first \$5,000,000 purchase? It purchases what cost the Government \$31,500,000, including the rebuilding in lieu of the Gorgas plant of another auxiliary steam plant. What does he get? He gets one of these steam plants now in existence for which the Alabama Power Co. has made a specific offer of purchase at \$4,500,000. Deducting that from the \$5,000,000 which Ford pays, it leaves only a half million. Consider that half—

Mr. ALLGOOD. Will the gentleman yield?

Mr. GRAHAM of Pennsylvania. No; I have not the time. In connection with the expenditure of \$3,500,000 to build the second auxiliary steam plant Mr. Ford is in pocket \$2,000,000. He has this property. He has a deed to it in fee simple, and you will note when you read the bill, as I have done, trying to be fair and at the same time critical of its terms, that you have no strings upon this plant at the time the deed in fee simple is made on these conditions until the end of his lease, and not any then. He acquires this property, and let us read on page 5 of the minority report an enumeration of what he gets and then think of the pitiful consideration—

The CHAIRMAN. The time of the gentleman has expired.

Mr. GRAHAM of Pennsylvania. May I have just a minute or two to make a closing remark?

Mr. MORIN. I yield the gentleman one minute.

Mr. GRAHAM of Pennsylvania. Turn your thought to another feature by calculating what the Government gets back from these three offers; in one case Mr. Ford gets seventy or seventy-five millions back, say, at the end of a 50-year lease. Under the Alabama Power Co. the Government would get back, say, \$160,000,000 at the end of the 50-year lease. Under the Hooker-Atterbury-White proposition they would get over \$300,000,000 back at the end of the 50-year lease. What business man would give away for a \$75,000,000 return and a paltry \$5,000,000 cash consideration this enormous property, when by accepting another proposition you can get a return of \$300,000,000 out of it in 50 years?

I want to say in conclusion that another important thing that a business man would consider is the question of the people who make these proposals. Ford has money, but has he experience in reference to these plans? Here are men who make the third offer, one of whom is a member of a reputable concern of which I have knowledge, no connection with it, scarcely an acquaintance with anybody connected with it, but they have experience in this work, having built No. 1 hydraulic plant and also built a successful plant at Syracuse, and there is a guarantee that is worth more than money with General Atterbury at the helm, with the White Construction Co. and Mr. Hooker, one of the ablest of chemists. You farmers will get your fertilizers. [Applause.]

There is no guaranty on the part of Ford to make fertilizer. There is nothing in the nature of a personal obligation behind his proposal except to see that a company shall be organized to take over the contract. The fee simple to plants and land goes to that company. If he or the company fails, there is nothing in the bill which will enable the United States to get back the property conveyed in fee simple to the company. The third proposition appeals to my mind as in every way the better one. I will explain—

The CHAIRMAN. The time of the gentleman has expired.

Mr. MORIN. Mr. Chairman, I yield 15 minutes to the gentleman from Indiana [Mr. Wood]. [Applause.]

Mr. WOOD. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. The gentleman from Indiana asks unanimous consent to revise and extend his remarks. Is there objection? [After a pause.] The Chair hears none.

Mr. WOOD. Mr. Chairman and gentlemen of the committee, I am opposed to the proposal approved by the majority of the committee, and I wish briefly and as succinctly as I can to state the reasons for my opposition.

The bill giving the Muscle Shoals development, which cost the Government with its nitrate and steam plants approximately \$100,000,000, to Henry Ford is purely sectional. But few Democrats in the House would favor the offer if Muscle Shoals was located in Maine or New York instead of being located in Alabama.

It is urged that Congress give this property to Henry Ford practically without compensation in order that the farmer may



have cheaper fertilizer. For the sake of argument let us grant that this result would follow, notwithstanding the fact that the bill contains no such guaranty; how would this act affect agriculture? Let us look at it from a national standpoint. What is the trouble with agriculture to-day? Why the dissatisfaction in the wheat, oat, and corn raising sections of our country? That dissatisfaction is answered in just one word—overproduction. Our farmers learned to produce larger quantities during the war and have not as yet gotten out of the practice. At present we buy the cotton and the sugar raised in the Southern States, and in exchange for that we sell them our corn, our wheat, our oats, and our meat products. That is a fairly reasonable exchange. This product that is exchanged for cotton and for sugar is grown upon land that has been well improved and highly cultivated, land that is reasonably worth between two and three hundred dollars per acre. That land is largely fertilized, not by commercial fertilizer but by rotation of crops. For example, according to the American Fertilizer book, Iowa purchased, in 1920, 5,000 tons of commercial fertilizer. This would be less than a handful of fertilizer for every acre of land which is cultivated in that State. Indiana purchased a considerable amount of commercial fertilizer which comes largely from the stockyards in Chicago, and the price of that fertilizer to the farmer would not be affected in the slightest by this tremendous subsidy which will benefit only the farmers living within a radius of 150 to 200 miles from Muscle Shoals.

Granted that this subsidy of \$100,000,000 to Mr. Ford will result in cheaper fertilizer to the farmers living within 200 miles of Muscle Shoals, what would be the result? The cheap lands within that radius covering an area about the size of Indiana would be brought into open competition for the production of corn, of wheat, and of oats, with the high-priced cultivated lands of Indiana, Ohio, Illinois, Iowa, and the Northwest. There can be no objection on the part of the Federal Government to Alabama and the territory within a radius of 200 miles of Muscle Shoals taxing themselves to build a fertilizer plant that will produce cheaper fertilizer and make the \$10 and the \$20 acre land in that territory compete with the high-priced lands of my State, but I submit it is unfair and un-American to tax the people of Indiana, of Ohio, of Illinois, of Iowa, and other Middle Western States in order to have cheaper fertilizer for the farmers of Alabama and bring their cheap lands in open competition with the high-priced lands of other States and thus add to the serious condition of overproduction which is almost bankrupting the farmers of those States. What would the Representatives of Alabama say if there was a proposition here to build a fertilizer plant in Minnesota or one of the Dakotas and to tax the American people \$100,000,000 to build it in order that the farmers of those States could raise cheap sugar beets or a substitute for cotton to take the place of the product they are now obtaining from the South? Every Democrat from the Southern States would vote against that proposition, and yet these same Representatives are asking the farmers of the great agricultural-producing sections of our country to vote for a bill under the blind and misleading statement that it will benefit the farmer.

Mr. ALMON. Will the gentleman yield?

Mr. WOOD. No; I have not time to yield.

It may benefit the farmer of Alabama and some of the adjoining States, but it will be to the everlasting injury of the farmers in the Northwestern and Central States. Why do I say that the farmers will only be benefited within a radius of 200 miles of the location of this plant? I have before me the report on transportation made by the Joint Commission of Agricultural Inquiry, and, if I read that report correctly and other information at hand, I am persuaded that it is impossible, because of high freight rates, to ship commercial fertilizer for a distance of over 200 miles, and even for a shipment of 200 miles the freight rates will amount to from 30 to 40 per cent of the total cost of fertilizer. It was demonstrated at the hearings before the Committee on Agriculture of the House of Representatives—page 29, "Nitrate" hearing—that freight rates amounted to 40 per cent of the cost of fertilizer. It is perfectly apparent, therefore, that this bill is merely to levy a tax to benefit one section of the country to the positive detriment of other sections.

Let us examine this bill and the hearings before the committee that reported it. It proposes to grant to Henry Ford property that cost the Government almost \$100,000,000 and to build a steam plant and a transmission line that will cost the taxpayers approximately \$5,000,000 more, and give it to Henry Ford for the small sum of \$5,000,000, and the Government must then take care of and guarantee the maintenance of the dams of Muscle Shoals for all time; and this property is given to Henry Ford not under the water power act but for a period

of 100 years. It has practically the unanimous support of every Democrat in the House, I am told, notwithstanding the fact that Henry Ford never appeared before the committee, but refused to come before the committee, and there is not a single guaranty in the bill that Henry Ford will produce fertilizer at a reduced cost. Why this unbounded faith in Henry Ford on the part of the Democratic Party? They tell us that Henry Ford is a wizard, that he is a man of wonderful capacity in reducing the costs of the things he produces in his factories, and that he is a man of unerring judgment. Is he a superman? Does he possess an occult power that enables him to strike a barren rock and have to flow therefrom whatever he may desire for his further enrichment and the benefaction of mankind? If he is such a seer, if he is possessed of such remarkable wisdom, and his judgment is so unerring, I ask you why are you not willing to follow him in November? Already he has stated to the world that Calvin Coolidge should be elected President of the United States; but how many of you on this side are willing to take this advice? He has also declared in language unequivocal that the Mellon plan for the reduction of taxes, if enacted into law, would be the greatest boon that could befall all of the people of this country. How many of you on this side heeded that advice? Not one.

You are following him with reference to this Muscle Shoals proposition because it is a subsidy for a portion of the South; and if you succeed in having this measure enacted into law the purpose of your faith in the superior wisdom of Henry Ford will have been accomplished.

The position of the Democratic Party in this respect is a repetition of the history of that party to reverse itself on every issue that is presented to the American people. My memory takes me back to the Taft administration—yes; to the Roosevelt administration. What was the big issue raised by the Democrats in the Taft administration, raised apparently for political purposes? The issue raised then was conservation, an issue on a principle which we all thought was thoroughly established by that great President, Theodore Roosevelt. Less than 20 years ago, during the Taft administration, we had scenes in Washington that are only comparable to the scenes that are taking place here this very day. You did not raise the issue then of Teapot Dome but you kicked up a mess over conservation. Ballinger, according to your statement then, was giving away the water supplies of the United States. He was not looking after the interests of all the people to see to it that our water supplies were conserved for all time to come. What is your attitude now on conservation? Is it that the water supplies shall be preserved for all the people under that law which Congress enacted after several years of study? Oh, no! You have abandoned that theory entirely, and this bill absolutely grants to one man a monopoly on the hydroelectric development in America for 100 years to do with it as he pleases and to handle it contrary to the provisions of the general water power act. Your position is now that Henry Ford shall be given Muscle Shoals. This great development that has cost the American people \$100,000,000 and thus to lose a potential power to furnish light and power at reasonable prices, regulated by State and national commissions, to hundreds of thousands of people.

Mr. McDUFFIE. Mr. Chairman, will the gentleman yield?

Mr. WOOD. I do not yield.

You propose to give it away. If we pass this bill to-day, then admit that you were playing politics in 1913. Admit that the fight on Ballinger then was a farce; admit that your Teapot Dome investigation is a farce and is made for political purposes alone, for if this law passes it will become the Teapot Dome of water power and hydroelectric development in America. When the Representatives in Congress voted for the water power act it voted for an act that was to be applied to the South, to the East, to the West, and to the North. It did not vote for a bill that was to have only a sectional application. It voted for the law because it believed that these great water-power sacks should be preserved for all time for the benefit of God's chosen people. It was a Roosevelt policy, not a McAdoo policy, not a sectional policy; but if you pass this bill you simply demonstrate that your only interest in the water power of the United States is to grab it for selfish and sectional purposes. Pass this bill and then introduce another giving Boulder Dam to Rockefeller and the American Falls to Morgan. Pass this bill and make yourselves ridiculous, as you ought to appear, because of your advocacy of it before the American people.

What should be our attitude on this great question? Should we legislate to-day and back one part of our people to advance the interests of a small section and crush the farmers of the Middle and Northwestern States who are already struggling



under a load of overproduction and burdens of taxation that are almost unbearable, or rather should we not stand here as the guardians of the men and women back home and see to it that their property is protected and that they are not taxed in order to bring into being an instrumentality that will crush them and make their loads still heavier.

We should stand here to-day and protest against this repeal of the Federal water power, and protest against taking this great hydroelectric development and giving it to one man.

I have no fight with Henry Ford. He has my admiration. I do not blame him one bit for wanting this great water-power development that is worth to any man hundreds of millions of dollars, but I do assert with all the power I can command that my duty under my oath of office is to protect this great interest for the people of the United States.

I can not believe that the farmers of this country understand what this gift of \$100,000,000 worth of property to Henry Ford means. Propaganda in the hands of a few energetic southern farmer Representatives has been spread all over the farming sections of the North and West, taking advantage of the distressed condition in which the farmer has been placed for the last few years to make him believe that his only salvation for the future depends upon the establishment of this Muscle Shoals plant for the purpose of furnishing him cheap fertilizer.

Mr. ALLGOOD. Will the gentleman yield?

Mr. WOOD. No; I do not yield.

The farmers of this country, in my opinion, do not realize that in addition to the 850,000 horsepower that is to be given to Henry Ford, that there is also given to him one nitrate plant representing an investment of more than \$12,000,000, including 1,900 acres of land, with a great number of large, permanent, substantial buildings for various kinds of manufacturing purposes; also 125 permanent residences, all of modern improvements; also 9 miles of Macadam road, 8 miles of sewers, 4 miles of standard-gauge railroad, with all necessary locomotives, cars, and equipment, shops, and so forth, with which to conduct the same; that he is also to be given nitrate plant No. 2 representing an investment of \$67,000,000, including 2,300 acres of land, on which are located 186 permanent residences with all modern equipment, including bathrooms, electric lights, water supply, sewers, and so forth. In connection with this plant there is a completely furnished and fully equipped hotel, modern in every particular, with more than 100 rooms. In addition there are 24 miles of improved roads, cement sidewalks and streets, 40 miles of standard-gauge railroad track, 20 miles of sewers, complete waterworks and sewerage system, and a plant for the generation of electricity, which alone cost more than \$12,000,000.

If this contract proposed in the pending measure is carried out in addition to all of this property, there will be handed over to Henry Ford \$500,000 worth of platinum in storage in the sub-treasury in New York belonging to the nitrate plants. There is also cash in the United States Treasury amounting to more than \$3,400,000, mainly received by the Government for the Gorgas plant which, under the Madden amendment, is to be spent in behalf of Mr. Henry Ford for the construction of an auxiliary steam plant for his benefit.

I wish that the farmers of this country could see this picture as it is actually presented upon the ground. It is hard, indeed, to visualize its vastness from spoken words, but if they were to see it as it is, in my opinion they would hesitate long before they would consent to give to any one man all of this property to have and to hold for 100 years, and possibly longer. And all that is to be received in return is a doubtful promise to manufacture 40,000 tons of nitrate per annum, and with this doubtful promise must be considered the statement made by Henry Ford in his communication to the Secretary of War, that if he can not make fertilizer at a profit he will quit. At most he does not even pretend to undertake to manufacture to exceed 40,000 tons of nitrate a year, and to do this only requires 100,000 horsepower. Then he will have an excess of 750,000 horsepower to do with as he chooses, to sell as he pleases at whatever price he desires.

To my mind this is a monstrous proposition. Who can tell what the needs for water power may be in 100 years from now. We are just entering upon an era of water-power development. In my opinion, within less than 100 years, yes, within less than half of that time, it will be the great moving power for the manufacturing industries of the land. It may be worth ten times what it is to-day, but whether it is or is not, it is not the part of wisdom to grant such a stupendous power to any man, or any set of men. We have

no moral right to do it, and in my opinion we have no legal right to do it. It is a violation of the Federal power act, and if this bill is passed it amounts to a virtual repeal of that act.

The Federal power act was passed for the control of all the water power in the United States, for the control of all the people of the United States with reference to the use of that power, and yet here to-day we are proposing, out of 110,000,000 people, to select one man, and say to him that you are to be made the favorite to the exclusion of all the rest of our citizens, and you are to continue in this favor for 100 years. It is morally wrong because we are bartering away, or giving away if you please, as a largess not only the right we who are living have in this thing, but the right that the generations yet to be have in it.

In my opinion there can be no justification for the passage of this measure. There are two other proposals, either of which to my mind is more advantageous to the Government than the Ford proposal. If I had my way about it none of these proposals would be accepted. This whole matter should either be referred to the Secretary of War or to a commission with instructions to inquire into the facts and to ascertain what is best not only for the present but for the future with reference to the disposition of this property. So, if we discharge our duty to the fullest, we will defeat this measure. [Applause.]

Mr. MORIN. Mr. Chairman, I yield the balance of my time to the gentleman from Illinois [Mr. GRAHAM]. [Applause.]

Mr. GRAHAM of Illinois. Mr. Chairman, in the time allotted me I shall not have opportunity to do more than allude to some of the main points involved in this matter.

The bill presented by my colleague, Mr. MCKENZIE, seeks to direct the Secretary of War to enter into a contract with Mr. Henry Ford, for the purchase of nitrate plants Nos. 1 and 2, and the power produced at Muscle Shoals, on the Tennessee River. The only question, therefore, is whether the contract set out in the bill is wise and provident or not. In discussing this matter I shall try to free my mind, so far as I can, of many impressions and perhaps prejudices, which I have heretofore had, and view the matter simply from its economic and legislative standpoint.

I have come to the conclusion, after an inspection of the contract submitted, taken with the knowledge I have of the subject gained through about one year's investigation on this very subject matter, that the contract presented ought not to be approved in its present form, and that unless it is modified in certain essential particulars, it ought to be unhesitatingly rejected by the Congress. My reasons for this attitude I want to briefly state.

First. It must be manifest to anyone who views the matter in any way dispassionately that the compensation to be paid by Mr. Ford for the property in question is entirely inadequate and out of reason. He proposes to pay \$5,000,000 in cash, to be paid \$1,000,000 a year for five years. In addition to this, he proposes to pay certain sums as interest on the investment of the United States in Dam No. 2, now being erected, and in Dam No. 3, to be hereafter erected, which interest will constitute interest on but a small portion of the sum invested by the Government, and much less than 4 per cent on this proportion. The Government will also be obliged to keep up both dams and insufficient payments are to be made by Ford for that purpose. As a matter of fact, therefore, the compensation to be paid is inconsequential and, aside from the \$5,000,000, means a poor repayment to the Government of what it is compelled to invest.

In the first place, let us for a moment consider just exactly what Mr. Ford, and his corporation to come after him, gets by this transfer. First, he gets nitrate plant No. 1, costing approximately \$13,000,000, and which was originally built for the production of atmospheric nitrogen by a modification of the Haber process. This plant was built in the most elaborate fashion. One thousand seven hundred acres of land surround it, purchased at prices from \$60 to \$70 an acre. One hundred and twelve permanent houses, costing from \$6,000 to \$19,000 each, are built there for the residences of officers, in an elegantly parked reservation. There is a clubhouse of a most durable and substantial nature, built at an expense of \$120,000, and barracks for workmen and laborers to accommodate a very large number. At this point there are many large fireproof buildings, admirably adapted for all sorts of manufacturing enterprises, and a steam plant of superior design of 5,000 kilowatt-hours capacity.

At plant No. 2 there are 2,300 acres of ground, purchased at a similar cost. There are 137 permanent houses, which cost from \$2,500 to \$4,600 apiece. One hundred semipermanent



houses, 300 negro houses, barracks for 15,000 workmen. There is a clubhouse at this place which cost \$341,000—most elaborate and well fitted. Forty miles of railroads are in and about the plant; 70 miles of sewers and water pipes. A water capacity of 222,000,000 gallons, and 21 miles of hard roads.

During the latter part of the war the Government built the Old Hickory powder plant at Nashville, Tenn. When this was afterwards about to be sold, the sulphuric-acid plants at this place were taken to Muscle Shoals and stored there and are now ready to be set up and operated, and all of which cost great sums of money. The idea of the ordnance officers was that by taking them to this plant they could have them ready for the making of ammonium sulphate, for which the No. 2 plant was not adapted, this being the preferable form of nitrogen to be used for fertilizer purposes.

At Dam No. 2, which is now being constructed, there are a large number of permanent houses, built at an expense of not less than \$5,000 apiece in a beautiful circle on a terraced hillside. There are barracks and houses for laboring men to house at least 4,000 men. There are 15½ miles of railroad, and 608.56 acres of land.

After the armistice was signed and the war over the Ordnance Department purchased a quarry, called the Waco Quarry, about 35 miles from Muscle Shoals, and proceeded to open up this quarry with funds not originally appropriated for that purpose, but so that the quarry might be so connected with the plant that there would be no opportunity afterwards of separating it from the nitrate plant. This quarry comprises 450 acres of land, 2 miles of railroad, many permanent houses, and a large number of drills, steam shovels, crushing plants, and other necessary apparatus.

Again, it is proposed in this bill to purchase on the Black Warrior River a location and build a 30,000-kilowatt generator plant, with a transmission line and right of way from this plant to Muscle Shoals, 60 miles, and donate the same to Mr. Ford, the cost to be defrayed by the Government, but to be not more than \$3,472,487.25.

For all this Mr. Ford and those who come after him are to pay \$5,000,000, a very small percentage of the value of the plant if it was wrecked and sold for junk. When the powder plant at Nitro, W. Va., was sold for junk, and this plant was not as good a plant as the nitrate plant No. 2, it sold for \$8,500,000, and I am advised its purchasers made large profits out of it.

In all the great transactions in buying and selling which the United States Government has had since the World War began and since its conclusion there can be none found anywhere which evidences so scandalous a disregard of values as this, nor one in which the United States has made a poorer bargain. I can not understand how men of reason and common sense can come to the conclusion that such an offer is at all advantageous.

Second. But it is said the proposition should be accepted because the matter involved is not the matter of selling a plant for what we can get out of it, but that we must have in mind the ultimate good to the country and its people occasioned by such sale. In this connection several propositions are made, as follows: Mr. Ford will so handle this matter as to build up this particular section of country, and from his record heretofore will encourage proper social conditions and betterment among those employed by him; that to establish such an institution at Muscle Shoals will be to the vast benefit of that section of the country and all the people of the country generally; that he proposes to carry on the business of making fertilizers; and that this will make it possible for farmers to have cheap fertilizer for a long period to come.

Let us examine these propositions briefly: First, as to Mr. Henry Ford personally. Mr. Ford has thus far proven himself to be a skilled manufacturer of automobiles and has become vastly wealthy, and is perhaps the wealthiest man in the world. He has introduced good social working conditions among the workers at his various plants. But Henry Ford is an elderly man. His span of life can not be much longer prolonged. The grant being made here is not to Henry Ford, but to a corporation to be formed and to live after him. When Henry Ford passes from the stage we may expect his son, Edsel, and other members of his family to continue in the business, but with the changes of years control will gradually vest in a corporation, with all the ordinary proclivities of a corporation, the principal one of which is to make dividends for stockholders; and, as a matter of fact, so far as any particular desire to contribute to the welfare of the general public is concerned, Mr. Henry Ford and his son, Edsel, have been nothing extraordinary and out of the way. What Mr. Ford has made he has made for himself and still has it. Any contemplation of this matter we have,

therefore, must be in view of the fact that in the future it will be conducted by a corporation.

Second. It is argued that this contract will carry out the proposition of section 124 of the national defense act and perpetuate for us a supply of cheap nitrogen for fertilizer purposes. An examination of the contract submitted shows the fallacy of this contention.

Under the contract Mr. Ford agrees that he—section 14—will manufacture at nitrate plant No. 2 "or its equivalent," at least 40,000 tons of fixed nitrogen a year, if there is a demand for it. He does not agree to manufacture this nitrogen at plant No. 2, but may manufacture it at some "equivalent" plant. Again, he does not agree to manufacture this fixed nitrogen from atmospheric sources, or from any other sources, but to manufacture it by any process or in any way he desires. Thus he may manufacture it as sulphate of ammonia from by-product coke ovens or by any new process which may be discovered. All he is obliged to do is to manufacture the equivalent of 40,000 tons of fixed nitrogen, or, if sulphate of ammonia is in greatest demand, 200,000 tons of this material, which is easily manufactured in many industrial chemical processes.

It can therefore be at once seen that Mr. Ford can use not only plant No. 1 for private manufacturing purposes, but plant No. 2 for the same purposes, if he desires, and where he has prepared for him cities into which he can move and power which he can use for 100 years in the manufacture of anything that the market demands. All he has to do is to prepare 40,000 tons of fixed nitrogen, and he or his successors have done all they are required to do.

I am talking now not about what he ought to do but what his successors will do. Leave Henry Ford out of the question and consider it as it will be when he is gone and his successors, intent on the accumulation of wealth, are viewing the matter from a cold, calculating business standpoint.

How far will 40,000 tons of fixed nitrogen go to supply the needs of the American farmer? In 1919 the American farmer used 190,000 tons of fixed nitrogen. This was composed of Chilean nitrates, fish scrap, commercial wastes, and ammonium sulphate. It will thus be seen that 40,000 tons of fixed nitrogen will supply, at this time, about one-fifth of the needs of the American farmer. It has been estimated that the demand for commercial fertilizers will double in 10 years. This being true, and the production of 40,000 tons continuing through the 100-year term, it will be readily appreciated that before this term has lasted long the amount of nitrogen produced by Mr. Ford's company will be negligible. If anyone expects the company he leaves after him to do more than it is obliged to do, it expects to see a miracle in the business world. Any corporation which he forms will make more fertilizers than it is required to make only when it can find a market at favorable terms, and if this company is restricted to an 8 per cent earning, if it can make more than 8 per cent at something else, it will do something else. That has been the universal experience of mankind.

Bear in mind Ford's company is only obligated to make 40,000 tons of fixed nitrogen in a year. Industrial chemistry is just in its infancy. It will be borne in mind that we have never used in this country the true Haber process, a process which made Germany absolutely independent of Chilean nitrates during the World War and by which process she today makes vast quantities of fixed atmospheric nitrogen.

The principal trouble with plant No. 1 at Muscle Shoals was in the process and the poor catalyst that was used. Recent discoveries have shown beyond question that with an improved catalyst that process can be greatly cheapened and improved. I have not the slightest doubt that within 20 years from this time we will be able to extract nitrogen from the air in any needed quantity with a very small expenditure of power. There is every indication of this, and no one can doubt it. Therefore the manufacture of 40,000 tons of atmospheric fixed nitrogen in 10 years may be a task such as will only require a small amount of the power produced at Muscle Shoals. At best, and if no improvements were to be made, it would not require more than 100,000 horsepower. No one to-day believes the cyanamid process is economical or the correct process, and if Henry Ford obtains Muscle Shoals he will not use it. He can not produce fertilizer there by the cyanamid process that can sell on the market at a reasonable price, and repeated demonstration has shown this to be true.

Having gone thus far, I want now to call your attention to the gravity of conveying to any person or corporation one of our great national assets for 100 years, with the privilege to carry it on beyond 10 years. Any nation that will so dispose of its national assets without reserving to itself the right to cancel such grant is unwise and improvident. I prophesy here



and now that, if this bill becomes the law and this grant is made, even in our own generation those of us who favored it will have visited upon us the wrath and just condemnation of the people of the country. We have no right to disregard the policy which we have adopted for any individual or corporation. The water power act was wise and a piece of legislation of which we may well be proud. We ought to stand by it. It has been said this is a special case, and that this location of this plant was determined by section 124 of the national defense act, and therefore is not within a general rule. This also is a fallacy. Its location was determined, not because of the choice of Congress or because of the advice of those who passed upon the matter as advisers but was determined solely and alone by President Wilson, and was not in any way a war necessity.

We are looking at this matter with too small an horizon. Let us look ahead 50 years. The Muscle Shoals, in the Tennessee River, lies in a portion of the country and within about 200 miles of the following cities, with the following populations:

Birmingham, Ala.	178,806
Memphis, Tenn.	162,351
Nashville, Tenn.	118,342
Chattanooga, Tenn.	57,895
Knoxville, Tenn.	77,818
Atlanta, Ga.	200,616

Within the immediate circle of influence of this power are the States of Alabama, Georgia, Tennessee, and Mississippi, with a total present population of 9,372,509. The Creator, who wisely contrived all things, placed in the center of this district this great source of power for the use of the people who would live there in the centuries to come. Now, let us step ahead 50 years. Henry Ford is dead. Edsel Ford, his son, is gone. The Ford Co. has its directors located in New York or elsewhere. The cities I have mentioned have risen in population until they have from 500,000 to a million population in each. The population of the States of Alabama, Georgia, Tennessee, and Mississippi has doubled, and 20,000,000 people live there. The price of coal, already mounting to the sky in 1924, has advanced, and the supply has diminished until it is hardly available for power purposes. Oil has practically disappeared. In all the surrounding country are growing industries, requiring large amounts of power, and the ordinary demands of the people for heat and light and power have greatly increased. Everything is changed, and a thousand new inventions have come to more complicate the lives of the people and their struggle for existence. But located at Muscle Shoals, and controlling all the available natural power in this country, is a company with nonresident directors, who have probably available for sale 500,000 or 600,000 kilowatt-hours of electricity, which the company either uses for its own purposes or sells to this country. There is no other natural source of power in that locality. This company, controlling this vast power, is under no regulatory supervision, and can charge any rates for its power it desires, while at the same time the Government of the United States keeps up and maintains the very instruments by which it gets this power. The people, needing this power, and having a right to it by nature and by their citizenship, find themselves absolutely in the control of an institution that goes on for 100 years and then with a lease of life beyond that period, and with no power anywhere to regulate or control its extortionate charges.

What do you believe our grandchildren, who have to deal with these conditions, will think about our action then? What right have we to give away their just inheritance. You say this will be for the good of all the people. I say to you, the good of all the people requires that this be kept for them, and that any other course is unwise, unjust, and an act of utter folly on our part.

Just one more suggestion: It is said the best part of this contract is that plant No. 2 can be recovered by the Government for use in times of war. Does anyone know any institution in the United States which can not be taken over by the Government when war threatens? Everything we have is in this situation, and hence no special right goes to the Government by this provision. Again, let me call your attention to the fact that this contract does not provide that nitrate plant No. 2 shall be kept in its present state of readiness for immediate operation in time of war, but specifies that the plant "or its equivalent" shall be so kept. This means that if Mr. Ford, or his successor, prepares somewhere a plant which will produce 40,000 tons of fixed nitrogen in a year and tenders such a plant to the Government when war comes, this is all he needs to do. So it may be that if, by improved process he finds he can manufacture this amount of fixed nitrogen in some small auxiliary plant, he has the whole of nitrate plant No. 2 for such purposes as he may care to use it for. Again, there will be produced at this plant, if this contract is signed, as primary

horsepower in Dam No. 2, 100,000; in Dam No. 3, 80,000; in the steam plant No. 2, 55,000 kilowatt hours; at the Black Warrior station 30,000 kilowatt hours; and at No. 1 steam plant, 5,000 kilowatt hours. With all of this primary power he may do as he pleases. In addition, he has a large part of the year a great amount of additional horsepower, amounting to possibly 800,000 in all. The lowest available estimate of the value of this electric energy at 4 mills per kilowatt hour for primary power and 1 mill per kilowatt hour for secondary power, will produce, running 80 per cent of the time, almost \$7,000,000 a year. Of course, anyone understands that the value of this power will increase by leaps and bounds as years go by.

My suggestions are these, if this bill is to be considered at all favorably: First, let it be provided that the plant at No. 2 shall be used for the manufacture of fertilizers to its full capacity now and hereafter. Second, let the period of leasing be 50 years. Third, either place this project within the full jurisdiction of the Federal Power Commission, under the water power act, or reserve in the bill itself the right of the Government to regulate rates and distribution of electric power produced at this plant.

I am not opposed to the leasing of this plant, but I am opposed to giving it away, and I am most seriously opposed to putting the people of the southeastern United States in the position where they will have no control and no protection against exactions for 100 years to come in the use of a power to which they are justly entitled and which was created by the Almighty for the welfare of our people. [Prolonged applause.]

Mr. McKENZIE. Mr. Chairman, I yield 40 minutes to the gentleman from Illinois [Mr. MADDEN]. [Applause.]

Mr. MADDEN. Mr. Chairman, I wish to announce that I will not yield for interruptions.

Mr. Chairman and gentlemen, we have heard a great deal about the dangers to future generations if the contract is consummated under the Ford proposal. It is rather singular that so many dire things happen in connection with every proposal that comes before this House for consideration, and I am always amazed when I realize that notwithstanding all these weird stories about what is going to happen the Nation still lives. I am as much interested in the proper protection of every American interest as any other man can be. I have no obligation to any man who bids for the right to use the power at Muscle Shoals. I never saw Ford. I never had any conversation with anybody who represents Ford. Some year or more ago, I promised to make a study of the Muscle Shoals problem. I made an exhaustive study of it, without prejudice. I brought to the House the results of that study and my conclusions. I presented that study to you. I am under no obligations to follow out the conclusions I then reached, but I was thoroughly convinced that no better disposition could be made of the problem before us than the solution submitted by Henry Ford in his proposal.

For more than two years the proposals of Henry Ford have been in the possession of the Government. Under instructions from the Secretary of War, the Chief of Engineers wandered all over the face of the Nation pleading with people who might be qualified to undertake to operate this plant at Muscle Shoals. Not a bid was received from any source except the bid from Henry Ford. This bid has been before the American people now for more than two years. During all that period no attempt was made from any source to make a better offer than Mr. Ford had made, until the time arrived when it looked as if Congress was about to take action. Then this horde of men interested in water power and the transmission of electric energy, for sale at a profit, realizing that they could not get Muscle Shoals themselves on any bids they were willing to make, proposed to embarrass those who had made legitimate proposals. We have heard a lot in the last two or three days about the inadequacy of the proposals made by Mr. Ford. We are told that he is about to receive property that cost the Government more than \$80,000,000 for the paltry sum of \$5,000,000. We are told that he is about to get title to land, that upon this land there are paved streets, and under the streets are sewers, all of which were paid for out of the Treasury of the United States.

We have not been told that there were other plants constructed during the war, one at Nitro, W. Va., that cost \$60,000,000, and one at Old Hickory that cost \$35,000,000, and at each of these plants they had paved streets, sidewalks, houses, sewers, water supply, everything that goes to make up an inhabitable community. Yet when this property was sold after the war, not longer needed by the Government, how much did we receive for it? Twelve and one-half million dollars for property that cost the Government \$145,000,000, and the bidders who received this property made no proposal to the Govern-



ment of any kind either in the present or future to do any valuable thing in return for the people of America. [Applause.]

Oh, yes, Mr. Ford is, if this contract is entered upon, to receive property that cost the Government \$84,000,000, and is to receive it for \$5,000,000. But what is the value of the property? What is its cash value to-day? Nobody, not even the most optimistic of those who believe in higher values would suggest that it is more than \$16,000,000 in value, and I wish to suggest that it is not worth half of that sum for any purpose except its use for a going concern in connection with the operation of Muscle Shoals. [Applause.]

I think it is fair that when Congress undertakes to deal with a great problem like this, national in its character, that every man in Congress should do the best he can to produce the best results, not only for the time being but for the future, and we ought to analyze who it is that we are proposing to deal with. Let us find out who these men are that have made the proposal. What is the character of the proposal that they have made. Are they worthy of any sort of reasonable consideration? Were they in earnest? Have they the ability? Have they the integrity? Have they the patriotism? Have they been loyal throughout the years in the development of problems of the Nation, so that when Congress comes to decide in whom they shall put their faith it can do so with a knowledge of all the facts? It is necessary to inquire most carefully into the bidders, their integrity, as to whether they are worthy to be entrusted with Government property at Muscle Shoals involving the national safety of the country in time of war and the manufacture of a cheaper supply of fertilizer for farmers of the Nation in time of peace.

We have been told by the distinguished gentleman from Ohio [Mr. BURTON], in the wonderful speech made yesterday, that the farmers' organizations of the Nation are not committed to the adoption of the Ford proposal at Muscle Shoals. I care not what the farmers' organizations may be committed to, the responsibility lies with us, and whether organizations that they say represent the farmers of the Nation are committed to this proposal or not, the question is, What is best for the real farmers of the Nation? [Applause.] That is the question with which we are called upon to deal. Whether anybody operating a farm anywhere within the confines of continental America has committed himself to the Ford proposal or against it, if I believe that what we are considering here is the best in the ultimate long run for the farmers of the Nation, I am for it regardless of what their attitude may be to-day. [Applause.]

I say that I come to you thoroughly committed to the belief that the best interests for the present-day farmer and the present-day citizen of the United States is in the adoption of the plan before us authorizing the Secretary of War to enter into a contract under the proposal submitted to the Nation by Henry Ford. [Applause.] Now it is necessary for us to scrutinize the pedigree of people making the proposal, and of those making a proposal antagonistic to this proposition here.

Let us look up the pedigree of the Alabama Power Co., the Tennessee Power Co., and the Memphis Power & Light Co. Who are they and what do they stand for? What do they propose? Who do these men that write the minority report say that this contract shall be let to? They have not had the courage to recommend anybody for anything. They criticize and let it go at that. They have made no recommendation that the contract shall be let to the people whom they write the report for, but they are opposed to letting the contract to Henry Ford. You can not run a great institution like this Nation on a mere negative recommendation. [Applause.] You must have supreme constructive force somewhere, and somebody must assume the responsibility for the constructive genius that makes for the wheels of progress in a great country like this, and it is because in the early days and from then on down to the present day that we have had men of courage, genius and integrity and ability that we have made the march of progress which has been the wonder of the world. [Applause.] We must not stop because somebody criticizes another great act which is now before us, and I do not propose to be driven away from my attitude toward this problem because, forsooth, one or two men without any knowledge of the facts in the case criticize the proposal. I am not afraid to place in the hands of a man who has succeeded in everything which he has undertaken a great problem for the benefit of the human race on the American continent, and that is what we propose to do in this. [Applause.]

Where is the Alabama Power Co.? When we search the record what do we find about them? At a mass meeting held in Montgomery, Ala., the capital of the State, on March 1, 1922, the people of Alabama declared the Alabama Power Co. to be a monopoly and they memorialized the Congress of the

United States to save them from this Alabama Power Co. monopoly. They said among other things:

With these considerations in view, and having in mind the freedom of our own people from a galling and oppressive water-power monopoly, the freedom of the American farmer from a burdensome and grinding fertilizer monopoly, the opening of a great river to navigation and the security of the country in the event of war, we urge the President and the Congress of the United States to accept the offer of Henry Ford, whom we verily believe seeks through his offer to dedicate to the American people and especially to the farmers of America his genius and fortune.

That is what I believe. If I did not believe it with all my soul I would not be standing here advocating the adoption of his proposal. Henry Ford made his great fortune because of the patronage given him by the people engaged in agriculture, both in the purchase of his automobile and his tractor. He owes the farmers of America an obligation it will be hard to repay.

I believe that he wants to leave a monument to his success, and he wants the monument to be a utilization of his fortune made out of the farmers of the Nation, the prosperity of the farmer, by placing in his hands the opportunity for a cheaper fertilizer than under any other condition he could buy it. [Applause.]

Mr. CONNALLY of Texas. Mr. Chairman, will the gentleman yield?

Mr. MADDEN. Yes.

Mr. CONNALLY of Texas. I have very great respect for the gentleman's judgment and am very much impressed by his argument, but in connection with the petition from Alabama what has the gentleman to say in reply to the other gentleman from Illinois [Mr. GRAHAM] a moment ago, that there is absolutely nothing, according to his contention, in this contract to limit the charges for electric power under the contract?

Mr. MADDEN. The States have the power to regulate charges, and we can not take that right away from the States. Mr. HULL of Iowa rose.

Mr. MADDEN. I do not yield any further. The States have the power to regulate the charges, and anything we do here can not take that right away. There is no one who can sell electric current to the consumers of a State without selling it at the rates fixed by the States. That answers that question.

We find the Alabama Power Co. repudiated by its neighbors, the people of Alabama, and condemned by the records of Congress, and by the Department of Justice, and if these indictments of the integrity of the Alabama Power Co. are unjust, why do we not find at least one man rising and defending the Alabama Power Co.? Is anybody here willing to do that? If not, I shall pass on.

But let us examine another part of the record—

We find that the Alabama Power Co., through a subsidiary company, made an offer to the Government for the power at Muscle Shoals in 1913. But when the Chief of Engineers of the United States Army, under direction of the Secretary of War, in 1921, invited the Alabama Power Co. along with other companies to make a proposal to the Government of a reasonable return from the investment of the United States at Muscle Shoals, what reply did the Alabama Power Co. make? This company made an evasive reply and, in the light of subsequent events and subsequent proposals made by the Alabama Power Co., the reply of the Alabama Power Co. to the Chief of Engineers in 1921 was one of duplicity and deception.

Now, let us look into the pedigree of the Tennessee Electric Power Co., one of the three companies signing the proposal of the power companies for the power at Muscle Shoals and their so-called offer to make fertilizers. It is disclosed in the recent hearings of the Committee on Military Affairs that the Tennessee Electric Power Co., along with other companies, is now defending in the Supreme Court of Tennessee an antitrust suit brought by the State of Tennessee against the Tennessee Electric Power Co. and allied interlocking companies, and in this suit the Tennessee Electric Power Co. is the controlling corporation in the group of defendant concerns. So we find the Tennessee Electric Power Co. in the Supreme Court of Tennessee defending a suit for the cancellation of its charter, because it is a monopoly violating the antitrust laws and the common law of the State of Tennessee.

And what answer does the record show that the Tennessee Electric Power Co.—then the Tennessee Power Co.—made to General Beach to the invitation of the Chief of Engineers in 1921 for a proposal to the Government on Muscle Shoals? The record shows that this company, along with three other companies, the Columbus Power Co., the Georgia Railway & Power Co., and the Central Georgia Power Co., all signing a joint

statement addressed to the Chief of Engineers, declared that from a strictly business and commercial standpoint, and considering the cost of production of power at Muscle Shoals, private capital could not afford to undertake the Muscle Shoals water-power development, nor make investments to use its output; and further declared that the United States could not afford to invest additional public money to build the dam and hydroelectric plant at Muscle Shoals on the Tennessee River.

So they were there trying to persuade the public functionaries of the country that it was even unwise for the Government itself to invest, and under no circumstances could private capital hope to succeed.

Yet this very same Tennessee Electric Power Co., which signed these statements in 1921, on January 15, 1924, signs a proposal for this very power at Muscle Shoals, offering to pay, as they claim, \$2,000,000 annually for this power. With this record, can this company, the Tennessee Electric Power Co., be intrusted with the people's property at Muscle Shoals?

Now, as to the Memphis Power & Light Co., the third company signing the power companies' proposals for the power and the manufacture of fertilizers at Muscle Shoals. This company can be dismissed from the attention of the House as having no reliable and dependable business standing, because this company has only recently come out of a receivership.

The closely knit connection between these three companies signing this power offer and this so-called fertilizer offer for Muscle Shoals is more intimately revealed by an examination of Moody's Manual, Poor's Manual, and the Directory of Directors. From this information we find that leading members of the boards of directors of both the Alabama Power Co. and the Memphis Power & Light Co. are also officers or directors of the Electric Bond & Share Co., which is a subsidiary holding company of the General Electric Co. We also find that W. M. Flook, who signs the fertilizer offer of the power companies, was the president of the Memphis Gas & Electric Co., which was reorganized in 1922 to form the present Memphis Power & Light Co.

So here we have the trio of power companies in discredit. Here are the triplets who have broadcast in the press of the country that they have made a better offer for Muscle Shoals than Henry Ford, in whom the American people have faith and who stands out as one of the world's greatest manufacturers, and whose financial credit no one questions.

Now, the power offer and the so-called fertilizer offer of these three companies clearly show in the record that what these companies want to get at Muscle Shoals is the power at Muscle Shoals, and they made an offer only in order to get this power. They look upon Muscle Shoals simply as a power proposition, and all they seek at Muscle Shoals is the power that is available there.

Now, in contrast, what does Henry Ford say? On October 11 he said:

The Ford Motor Co. never has needed Muscle Shoals. We have water power sufficient for all our purposes. The only thing I could do at Muscle Shoals which I am not now able to do elsewhere would be to make fertilizer for the farmer.

Is there any wonder that the fertilizer-using farmers of this country appeal to this House to accept the Ford offer? And can it be wondered at that the farmers of the United States justly complain at the delay of Congress in accepting the Ford offer? Can any Member of the House justly and fairly say and honestly contend that the farmers' interest in Muscle Shoals should be placed in the hands of the Alabama Power Co. and its allies? If there is one Member of the House who contends that the Alabama Power Co. should have Muscle Shoals, this company's record in another instance will remove any doubt on the subject.

When the Alabama Power Co. at the eleventh hour made an offer for the power at Muscle Shoals under date of February 15, 1922, they proposed to allot 100,000 secondary horsepower free of cost for the operation of nitrate plant No. 2; but this same Alabama Power Co., true to its course of deception and its ever flagrant disregard of every principle of square dealing in its power offer of January 15, 1924, proposes that the farmer shall pay cost for the power furnished to the Alabama Power Co.'s fertilizer corporation. When the Alabama Power Co. in 1922 made an offer of free power for nitrate plant No. 2 as a cheap bait to the farmers and to Congress, knowing that nobody would take No. 2 plant and run it without controlling the power at Muscle Shoals, with one grand burst of generosity to the farmers they said, "We will furnish you power without cost to make your fertilizer"; but when this same Alabama Power Co. in 1924 is so pinched by Henry Ford's offer that the Alabama Power Co. found itself forced to make some kind of a fertilizer offer it forgets its

tender feelings of 1922 for the farmers of the country, and says, "We will charge you farmers cost."

Now let us take the entire group of nine power companies signing the letter of January 8, 1924, to Secretary Merrill, of the Federal Power Commission. These companies operate in the southeastern States, in North and South Carolina, Georgia, Tennessee, and Alabama, and is there a single Member of the House from any of these States who will stand up and defend these power monopolies? And is there a single Member of the House from any of these States who will tell the House that these companies should have Muscle Shoals, and that Henry Ford should not have Muscle Shoals? And, finally, is there a Member of the House from any Southern State who will rise and say that he is ready to cast his vote in favor of this power group having Muscle Shoals against Henry Ford's offer for Muscle Shoals?

Now, since we find that not a single Member of the House from the South is in favor of these power companies located in the South and doing business in the South, then upon what pretext or excuse can the Members of the House from the Eastern States, from the Middle States, from the Lake States, from the Mississippi Valley States, from the Mountain States, or from the Pacific States say that these power companies should have Muscle Shoals and that Henry Ford should not have Muscle Shoals?

Now last, but not least, the stock of the Alabama Power Co. is controlled by a foreign corporation, a Canadian company, and the stock of this Canadian company is controlled by British owners. Whatever may be the differing views among all of the Members of the House, since every Member of the House is an American, no Member of the House will fail to approve section 22 of the McKenzie bill as reported by the Committee on Military Affairs, which provides that no stock or bonds issued by any company or subsidiary company in connection with the Government's Muscle Shoals property shall be owned or controlled by any foreign corporation, citizen, or subject. This provision in the bill excludes, and rightfully excludes, the Alabama Power Co., and as for the power companies allied with the Alabama Power Co. they are merely stool pigeons.

When Members of the House read the views of the majority of the House Committee on Military Affairs as set down in its report to the House on the McKenzie bill for acceptance of the Ford offer for Muscle Shoals, all those who realize that we are dealing with a national problem of far-reaching importance will be in hearty accord with the views of the majority, because they propose a policy at Muscle Shoals founded on the national defense act of 1916, and they have wisely measured the proposals made for the people's property at Muscle Shoals by the service which the people's property at Muscle Shoals will render to the Nation in time of war, and by the service which Muscle Shoals will render to the farmers of the country in times of peace.

The report of the majority of the committee, and its recommendations, will be approved by all fair-minded people who read the report, and there will be full agreement with the committee that there is but one proposal which is sufficiently comprehensive and satisfactory in its terms to be accepted by Congress.

That proposal which the committee finds acceptable has been before Congress for more than two years. Other proposals have imitated its form and copied its terms as nearly as they dared, but none of the bidders have squarely faced the responsibilities at Muscle Shoals except one—a bidder whose remarkable success in everything he has undertaken has excited the admiration and confidence of the Nation.

I stated last year that I looked upon this proposal simply as a business proposition. When we passed section 124 of the national defense act in 1916 we undertook a nitrogen program in this country.

Brought down to June 30, 1923, our expenditures under this program have reached a total of \$111,741,369, and adding to this the \$5,564,000 expended on the Wilson Dam from June 30, 1923, to the present time, we have a grand total investment of \$117,305,459 at Muscle Shoals. The expenditures to June 30, 1923, are as follows:

Investment to June 30, 1923.	
Construction cost:	
Nitrate plant No. 1	\$12,887,941
Nitrate plant No. 2 (including \$1,302,962.88 on account of Waco Quarry)	67,555,355
Gorgas-Warrior plant and transmission line	4,979,782
Dam No. 2 (Wilson Dam) (including commitments under contracts)	20,145,715
	<hr/> 105,568,793



Maintenance cost (including experimental operations at nitrate plants and research laboratory):	
Dam No. 2-----	\$359, 593
Nitrate plants:	
No. 1-----	\$923, 765
No. 2-----	3, 823, 272
Research laboratory-----	4, 747, 037
	1, 065, 946
	6, 172, 576
Total-----	111, 741, 369

Except for increased appropriations and expenditures the situation to-day is not different from that of a year ago, and I can do no better than quote from the statement made by me on the floor of the House February 3, 1923, and revise this statement to bring the figures down to June 30, 1923:

1. Dam No. 2—Wilson Dam—is incomplete, and Dam No. 3 has not even been started. So we have no water power.

2. Nitrate plant No. 1, originally designed to produce 9,000 tons of fixed nitrogen in the form of ammonium nitrate, employing a modification of the Haber process, has been completed only up to one-fourth of its capacity; was purely an experimental venture, and up to this time has not proven successful. The experiment has cost \$12,887,941, and an additional outlay for new machinery costing in the neighborhood of \$2,000,000 would be necessary if further experiments are to be undertaken. Furthermore, the employment of this method is fraught with great danger from explosion of the high-pressure tanks in which nitrogen and hydrogen are impounded. To put the plant on a production basis employing the latest approved methods would cost approximately another \$4,000,000.

3. Nitrate plant No. 2, employing the cyanamide process, has been completed to its designed capacity of 40,000 tons of fixed nitrogen in the form of ammonium nitrate and was operated successfully during a two weeks' trial run, but the cyanamide process is considered by the experts to be obsolete as a fertilizer process, which most probably will make it necessary to replace the machinery and to some extent the buildings.

That is a rather doleful picture after an expenditure of \$117,000,000; but if you will take the time to delve into the mass of data bearing on the subject, you will find that I have given you the actual facts. Now, having gone this far, what is the best way out? We have an obligation to discharge to the American people. We are responsible for there having been used well over \$100,000,000 of their money, and they expect and we owe them a proper return on it. Shall we go on in the face of what we have experienced and make renewed efforts to make a go of the thing ourselves, irrespective of what the ultimate cost might be? Let us examine carefully what this course would quite certainly mean.

In the first place we would have to complete the Wilson Dam—Dam No. 2—estimated to cost from June 30, 1923, an additional \$23,289,284. And then, to make up for the defects or shortcomings of the present layout, so as to put the plants on a going basis that fertilizer of a suitable type, in adequate quantities and marketable at a reasonable price may be produced and that facilities at all times may be available for the manufacture of explosives and other war materials, we would find it necessary to appropriate approximately these additional sums:

1. Auxiliary or reserve water supply to stabilize the flow of the Tennessee River that a uniform amount of power would be available the year around-----	\$20, 000, 000
2. For remodeling nitrate plant No. 1-----	4, 000, 000
3. For remodeling nitrate plant No. 2-----	10, 000, 000
4. For a phosphoric acid plant to meet the demand for a mixed fertilizer-----	15, 000, 000
5. Operating fund-----	10, 000, 000
Total-----	59, 000, 000

These make a total of \$59,000,000. Add to that the \$23,289,000 to complete the Wilson Dam and the \$117,000,000 already invested and our total outlay will have amounted to \$199,594,000. In other words, we will have to sink another \$82,289,000 into the venture before we can function on an economical business basis, excluding, of course, let me emphasize, any return whatever on the investment. I seriously doubt if under Government operation we could even include in the selling price of the fertilizer other usual items of overhead and keep the price at a figure which the farmer could afford to pay. What is the alternative? We can not stop. We owe it to the Nation to see the thing through.

The farmer needs nitrates, and the very life of the Nation may at some time hinge upon our ability to supply this necessary munitions ingredient to the Army and Navy. The answer is to go ahead at all hazards, or, I should say, in spite of all hazards, or to let private enterprise step in and do the job for us.

Now, let us see what private enterprise has to offer. I refer to the Ford offer.

In the first place we must put up, according to current estimates, \$48,289,000, dating from June 30, 1923, to complete the Wilson Dam and to build Dam No. 3, to be located about 15 miles upstream from

Dam No. 2, the work on both dams to be prosecuted by Mr. Ford at actual cost. That would end the demands upon the Federal Treasury. We would then have invested \$160,000,000, instead of the \$200,000,000 that would be necessary if the Government should determine to finish and operate the plants, and, of course, it should be borne in mind that the \$200,000,000 does not include any money whatever for Dam No. 3, estimated to cost \$25,000,000.

Congress having provided the money for the two dams, to complete one and to build in its entirety another, Mr. Ford then agrees—

First. To operate nitrate plant No. 2 in the manufacture of nitrates at its full present capacity, namely, 40,000 tons of fixed nitrogen per annum, for a period of 100 years.

Second. To maintain nitrate plant No. 2 at all times in efficient modernized operating condition for the use of the Government in time of war.

Third. To provide fertilizer to the full capacity of nitrate plant No. 2, with profit, if any, limited to 8 per cent above the fair actual cost of production.

Fourth. To supply such quantity of fertilizers, mixed or unmixed. An agreement to furnish mixed fertilizer composed of nitrogen, phosphoric acid, and potash will necessitate the erection by Mr. Ford at his own expense of a phosphoric acid plant at Muscle Shoals, estimated to cost \$15,000,000, which the Government would have to do if we should decide to operate ourselves.

Fifth. To research fertilizer production and to employ such improved methods as may be found successful.

Sixth. That the capital of \$10,000,000 of the company to be formed shall be liable for the fulfillment of the contract, backed up—please note this—by Mr. Ford's entire personal estate and that of his heirs and assigns.

I do not think any of you entertain any question but that the purposes for which the undertaking was authorized will be entirely fulfilled under this offer, and I think you will all agree that the guarantees are wholly adequate. So assuming, I will now address myself to the consideration proposed by Mr. Ford.

In the first place, he offers to purchase nitrate plant No. 1, nitrate plant No. 2, the Waco Quarry, and a steam power plant and transmission line to be built by Mr. Ford or a company incorporated by him to take the place of the Gorgas steam plant and transmission line, sold since his offer of May 31, 1922, all for \$5,000,000 in cash, and, in addition, agrees to valuable contract obligations. Let us analyze this for a moment. I have already told you of the contract obligations. We have invested in these four units \$85,423,078, but, as I have shown you, they are practically valueless unless we sink another \$82,289,000 into the entire venture, or \$167,712,078 if, under Government control, it should be decided to build Dam No. 3; and I do not think there is any question but that this dam must not only be built but an auxiliary water flow provided besides, if sufficient power is to be generated at all times to make it possible to meet the demand for fertilizer. If this be true as to Government operation, it applies with equal force to Mr. Ford. He will incur no immediate expense on account of the dams, but he will have to put out \$59,000,000 to get the plants on a going basis, the same as the Government would have to do. So he is not getting such a wonderful bargain after all. He agrees to pay \$5,000,000 for what we have paid \$85,000,000, but to use which he will have to expend another \$59,000,000; and we must not forget that the \$85,000,000 represents Government construction costs, and war-time costs at that.

That disposes of everything but the dams. To June 30, 1923, we had invested in the Wilson Dam, including maintenance costs, \$20,505,308. Under Mr. Ford's offer we must commit ourselves to a further outlay for the Wilson Dam and Dam No. 3 of \$48,289,284 from June 30, 1923. Let us see what his proposition is as to these. After their completion, which he is to do, he agrees to lease the water power derived therefrom for a period of 100 years on the following terms:

1. To maintain at his own expense the power houses and all equipment incident thereto, returning the same at the end of the lease unimpaired.

2. To pay \$35,000 annually for repairs, maintenance, and operation of Dam No. 2, its gates and locks, and \$20,000 per annum for repairs, maintenance, and operation of Dam No. 3, its gates and locks, during the life of the lease. The sum of \$55,000 has been estimated as sufficient for these purposes.

3. To pay \$200,000 annually as rental for the first six years on Dam No. 2, and thereafter during the life of the lease 4 per cent interest on the sum necessary to be expended for the completion of said dam, power house, and machinery, and for completing the acquiring of lands and flowage rights.

4. To pay as rental for Dam No. 3, \$160,000 per annum for the first three years, and thereafter 4 per cent interest on the entire cost of constructing said dam, power house, and machinery, including cost of lands and flowage rights.

5. To establish a sinking fund by the semiannual payment of \$23,373, which sum, if compounded at 4 per cent semiannually, will amount to \$49,071,935 at the end of the lease, and if compounded at 4 1/2 per

cent interest will amount at the end of the lease to \$58,570,003. It has been claimed, and it is probably true, that this fund could be handled by the Federal reserve banks to accomplish this result, and practically without expense.

6. To furnish free 200 horsepower for operating locks at Dam No. 2 and 100 horsepower for operating locks at Dam No. 3. This would save the Government the cost of operating the locks on the Muscle Shoals Canal, estimated to range from \$35,000 to \$85,000 per annum.

When you analyze it, that is not a bad proposition at all. For a period of 100 years the Government is freed of any expense in connection with these dams, locks, and power houses and machinery: it receives a fairly substantial return on approximately two-thirds of its investment in the dams, and in the end has repaid to it practically the whole of such investment. And, gentlemen, remember that throughout that period the farmer will have been getting his fertilizer and the Government will have had at its disposal a plant fully and modernly equipped and ready to produce explosives and other war materials.

The Government will have been freed from all the hazards attendant upon such a vast enterprise, it will have been saved the expense of research and experimentation, and the burden will have fallen upon others to keep these plants equipped to conform with the march of progress.

Now, it is not my purpose to urge you to align yourselves on one side or the other of this proposition. I have striven to give you the plain unvarnished facts as I have found them so that you might be the better equipped to determine the matter for yourselves. It is a business proposition with me, purely and simply. I feel that we owe it to the taxpayer, to the farmer, and to the Nation to finish the undertaking and get it into operation at the earliest date practicable, and, so believing, my chief aim has been to get for you the facts so that you would be the better able to determine upon that course which will work out to the greatest advantage of the Federal Treasury, not just at this time, but throughout the years. I have no concern, if we choose to let others act for us, as to who they are, what section they hail from, or what their politics may be, other than to be certain that their past business record is beyond reproach and that satisfactory guaranties are given. I am perfectly frank to say that I know of no person or group of persons who have demonstrated a bigger capacity to handle a large undertaking of this character than Mr. Ford. Therefore, gentlemen, it resolves itself into just this: Do you wish to sink another \$107,000,000 into this Muscle Shoals project, in the light of your experience thus far, to incur all the hazards incident to the conduct of the business, to commit the Government to the continual expense of upkeep of such a vast project, a large portion of which has only potential value, and to the expense of keeping the entire plant in a modern productive state, or do you think the wiser course would be to accept Mr. Ford's offer, put only enough additional in the venture to complete both dams, and sell and lease under the terms that he has proposed? My own conviction is that we should accept the Ford offer and get out of the business. I feel that by so doing we will have acted so as better to provide for the common defense and for the promotion of the general welfare.

The question to answer with regard to the Ford proposal and the Federal power act is: Will the House fail to protect the public welfare, fail to protect the consumers of the power at Muscle Shoals, if the House accepts the Ford offer and leaves him free of the Federal power act?

The Federal Power Commission has no authority to control or regulate rates of power. The regulation and control of such rates are conceded to the various States which have regulatory bodies.

The Federal Power Commission has no authority under the Federal power act to require Mr. Ford to distribute power to any particular service or to any particular territory, and if they did still the commission could not control or regulate the rates at which the power was furnished, since this regulation is wholly within the States.

It seems, therefore, as respecting the cost of power to consumers and the rates charged, to bring Mr. Ford under the Federal Power Commission will merely give the commission the opportunity under the power act to increase the cost of power to the consumer by charging under its rules and regulations 25 cents per installed horsepower, which would be at Muscle Shoals \$218,500 annually.

On the other hand, there are some economic features of the Ford offer which are very fundamental:

First, Mr. Ford proposes to amortize the cost of the dams, locks, and power-house facilities, and it is most probable that the power companies and their brokers and bankers opposing and fighting the Ford offer do so more on account of this principle than anything else.

When the capital invested in a power project is amortized, the cost of power is reduced to maintenance and operation, but this economic principle is not found in the power act, nor are power companies expected or required to make rates based upon the

cost of maintenance and operation, even though they might be required to amortize their bonds.

There is one other phase of the Ford offer that is new, and that is that the cost to the United States of the navigation improvements at Muscle Shoals is entirely paid for by Mr. Ford under the Ford proposal. This is a great contrast with the millions upon millions that Congress is annually appropriating for navigation improvements, with not 1 cent repaid.

There is still another thing in Mr. Ford's offer that is strikingly new and fundamentally sound, and that is that he does propose to manufacture fertilizers at a profit not to exceed 8 per cent on the fair actual annual cost of production thereof. No power company receiving a license from the Federal Power Commission has ever offered, nor has the commission required—not having the authority to so require—any power company to fix its maximum profits. This establishes a new economic precedent that should be applied to other of our great water-power resources when leased by the Federal Government.

The value of Chilean nitrates imported into this country for the fiscal years 1922 and 1923 and seven months of the fiscal year 1924 is in excess of \$80,000,000, and the export duty paid to Chile on the importation of this Chilean nitrate is in excess of \$24,000,000.

When we consider this bill for nitrates for this period and the export tax paid to Chile, is it more important to the country to take the first step to put an end to this Chilean nitrate tax upon the farmers of the country and other users of Chilean nitrate by accepting the Ford offer or to reject it by bringing the Ford offer under the Federal power act and Federal Power Commission? And if the Federal Power Commission is given all the control under the Federal power act at Muscle Shoals, will it be worth what we have paid to Chile in the fiscal years 1922 and 1923 and seven months of the fiscal year 1924?

I want to say in conclusion that the call back to the farm is stronger to-day in the minds and the hearts of the American people than ever before. There is more need for the conservation of agriculture for the future of our people than there has ever been before. We should never fail to utilize every facility that may be placed at our disposal in order that the prosperity of America may be assured. We are here assured by the proposal of Henry Ford that he will operate nitrate plant No. 2 to its full capacity during all the period of its control. Here is what he said when he appeared upon the acceptance of the proposal:

Upon the acceptance of the Ford proposal the promises, undertakings, and obligations shall be binding upon the United States and jointly and severally upon Henry Ford, his heirs, representatives, and assigns, and the company, its successors and assigns, and all the necessary contracts, leases, deeds, and other instruments necessary or appropriate to effect the purposes of this proposal shall be duly executed and delivered by the respective parties above mentioned.

Section 23 as it appears in the bill before you has a provision with reference to this. My judgment is that it covers every word that is carried in this language that I have just read, but if there is any doubt or to obviate any doubt that may be in the minds of anyone I propose to offer as a substitute for the language now in the bill the language of this Ford proposal. [Applause.] I want to see agriculture prosper. I want to see America and its people happy; I want in time of peace to furnish every facility for the prosperity and happiness of the fundamental industry of the land, agriculture, and in time of war I want these great facilities at Muscle Shoals to be so preserved and protected in the intervening years that we will be able in a moment's notice to take control of them and utilize them to the fullest extent of our capacity in the interest of the safeguarding of America and her institutions. I want, in short, for this House before we complete the work now before us to lay a foundation for a great national conservation of agricultural forces and hand this conservation policy down to the generations who are to people this continent in the ages to come. [Applause.] Gentlemen, you can not do any more patriotic thing than to vote for the Ford proposal, ignoring the arguments which have been made here against it. There is nothing to them; they have no merit, no worth. [Applause.]

The CHAIRMAN. The time of the gentleman from Illinois has expired. All time has expired. The Clerk will read.

The Clerk read as follows:

*Be it enacted, etc.,* That the Secretary of War is hereby authorized and directed, for and in behalf of the United States of America, to execute the following contracts:

For the purpose of carrying out the terms of this agreement, Henry Ford will form a corporation (hereinafter referred to as the company) with a capital stock of \$10,000,000, or more, of which at least \$10,-



000,000 shall be paid in, in cash, to be controlled by Henry Ford, which company will immediately enter into and execute all necessary or appropriate instruments of contract to effectuate this agreement.

Mr. BURTON. Mr. Chairman, I desire to introduce an amendment.

The CHAIRMAN. The gentleman from Ohio offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment proposed by Mr. BURTON: Line 5, on page 2, strike out the words "to be controlled by Henry Ford."

Mr. BURTON. Mr. Chairman, I have introduced this amendment not because of any objection to the control by Henry Ford of this corporation. I am convinced that if this contract should be made, it would be well to have the corporation controlled by a man of his very marked business ability and of his large capital. I make this proposition in the way of an amendment, which possibly I may withdraw, because I am convinced that this proposed requirement is not legally binding. It is another instance of provisions in this bill which "Keep the word of promise to the ear and break it to the hope."

The general principle in regard to corporations is that the ownership of stock not only carries with it rights, but responsibilities as well; and from both of these standpoints this provision is not valid, nor is it in accordance with public policy to provide that one person should have control of a corporation.

We may begin at the very beginning. Under the laws of the respective States incorporators file letters of incorporation. These are deposited with the secretary of state or some similar official, and then books are opened for subscriptions to the stock. The privilege of subscribing is free and open to anyone who will come forward. Perhaps Mr. Ford might be the first to present his name as a subscriber. But you could not compel the incorporators or others having the books in charge to refuse subscriptions from anyone else. That, however, is but incidental.

Now, when it comes to the ownership of stock, it carries a right. That right is not only to have ownership, but disposition as well. In the antitrust decisions it was repeatedly held that an arrangement by which the stockholders of a corporation turned over their stock to a trustee—the name "Trust" was derived from those arrangements under which the holders of stock in a variety of corporations turned over the right of voting and of controlling the respective corporations—was contrary to public policy.

The courts, whenever the question was brought before them, decided that those agreements were invalid. And so the courts must decide that in the case of any agreement like this, an agreement that the stock of a corporation shall be owned or controlled by one individual, thereby restraining the right of disposition, thereby restraining those incidents which belong to the management of corporations, is invalid.

Now, there is another provision in this bill as to which I think there might be some doubt, and that is the requirement that a majority of the stock, or perhaps all of the stock, shall be owned by American citizens. I am inclined to think that would be held valid, because a question of national policy is involved, and that question is peculiarly acute in view of the fact that this corporation agrees to turn over its work to the Government in time of war or emergency for the manufacture of explosives.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. BEGG. Mr. Chairman, I have an amendment that I want to have read for information only.

Mr. HILL of Maryland. Mr. Chairman, I would like to speak on the pending amendment offered by the gentleman from Ohio [Mr. BURTON], which is before the House now, is it not?

Mr. BEGG. There is nothing that I shall say that will keep the gentleman from speaking on that amendment.

The CHAIRMAN. The amendment will be read in the gentleman's time.

The Clerk read as follows:

Amendment offered by Mr. BEGG: Page 1f, line 11, after the word "explosives," strike out the period and insert a semicolon and add the following: "Provided, That if Henry Ford, his heirs, successors, or assigns, or the 'company' so to be organized, its successors or assigns, fail for three consecutive years to manufacture annually not less than 40,000 tons of fixed nitrogen for exclusive use as fertilizer, then, and in that event, every contract of sale or lease made by the said United States with said Henry Ford, his heirs, successors, or assigns, or with said 'company' named in section 1, its successors or assigns, shall be void, and all property, real or personal, leases, rights, and other privileges

held by any of the above-named persons at said Muscle Shoals shall revert to and become the property of the Government of the United States. No contracts shall be entered into pursuant to the provisions hereof unless they embody as a part thereof these provisions. The conditions herein provided shall become operative on and after six years from the date such contracts are entered into."

Mr. BEGG. Now, Mr. Chairman and gentlemen of the committee, I should like to find myself in a position to support this bill. I have made an honest effort to study this bill with that in view, and I have listened to practically all the debates for and against the bill, and I have convinced myself that there is only one excuse for voting for this proposition, and that excuse would be that it is for the purpose of getting cheaper fertilizer for the American farmer. Now, if the bill does not do that, every one of us would be condemned by the results following our vote if we voted for it; and if the bill does that, and if the proponents of the contract and of the bill are absolutely sincere in their motive, namely, to produce fertilizer for the American farmer, there is not a line or word in this amendment that will hurt the proposed bill or that the signers of the proposed contract will refuse to sign or accept.

There has been much argument about what this bill binds and what it does not, and there has been much argument and many statements about whom the other propositions come from. All of that, gentlemen, I submit to you, is irrelevant. Either we are prompted to do this thing because we want to produce fertilizer or else there must be some other motive. I take it that the only argument that is worth a fig in favor of the bill is the fertilizer argument.

Mr. McSWAIN. Will the gentleman yield?

Mr. BEGG. I can not yield at this time.

The CHAIRMAN. The gentleman declines to yield.

Mr. BEGG. And if that is true, then every man before he casts his vote ought to satisfy himself that the Government, or the people through the Government, will receive fertilizer.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BEGG. Mr. Chairman, I ask for five minutes more.

The CHAIRMAN. The gentleman from Ohio asks unanimous consent to proceed for five additional minutes. Is there objection?

There was no objection.

Mr. BEGG. Now, gentlemen, let us come right down to the point. We are not lawyers but we are business men. Why a contract at all between men? The only reason for a contract between men—and I am talking about a contract in writing setting forth the articles to which there has been a common or mutual agreement—is to compel both parties thereto to perform the provisions of the contract.

Now, I submit to you that if I were going to be a signer of this contract, undertaking to manufacture fertilizer, and if I wanted to evade the fulfillment of that contract, I can find at least three ways out of it, and I am not a lawyer. There are three gates that are just as wide open as it is possible for a hole to be left in a written instrument. But, my friends—and I am talking to you men who are sincerely for the Ford proposition—if you will incorporate this provision I will take my chances on Mr. Ford, or his successors or his assigns, ever escaping with the property of Muscle Shoals without producing to the country 40,000 tons of fixed nitrogen for the sole manufacture and use in commercial fertilizer.

Now, this amendment provides that—

If Henry Ford, his heirs, successors, or assigns, or the company so to be organized, its successors or assigns, fail for three consecutive years to manufacture annually not less than 40,000 tons of fixed nitrogen for exclusive use as fertilizer, then and in that event every contract of sale or lease made by the said United States with said Henry Ford, his heirs, successors, or assigns, or with said company named in section 1, its successors or assigns, shall be void, and all property, real or personal, leases, rights, and other privileges held by any of the above-named persons at said Muscle Shoals shall revert to and become the property of the Government of the United States.

Mr. OLIVER of Alabama. Will the gentleman yield?

Mr. BEGG. I can not yield, as I will not have time enough. Is that fair to Mr. Ford? There is a provision in the amendment which I did not read, to the effect that it does not become effective until six years after the signing of the contract, and then if he fails for three consecutive years, or nine years, the Government ought to get the property back and the Government ought not to be compelled to go into court and stand a lawsuit for 100 years, because, as I said in the beginning, the only excuse I can find for voting for the Ford Muscle Shoals proposition, to my way of thinking, is so as to produce nitrates, and if this production of nitrates is a certainty then this amendment would not hurt anything.

Mr. OLIVER of Alabama. Will the gentleman yield?

Mr. BEGG. Yes.

Mr. OLIVER of Alabama. I appreciate the sincerity of the gentleman, and I take it the gentleman believes, after studying the hearings, that the section with reference to the production of fertilizer really means what his amendment states, but out of an abundance of precaution the gentleman has offered the amendment.

Mr. BEGG. Who has written this amendment?

Mr. OLIVER of Alabama. The gentleman from Ohio; the one you are offering. I say that amendment in substance and in letter is what you understand the friends of Henry Ford claim this section means.

Mr. BEGG. Absolutely; but there is this difference, I will say to my good friend from Alabama—

Mr. OLIVER of Alabama. My position is that it in no sense changes the meaning.

Mr. BEGG. Then it will not hurt it.

Mr. OLIVER of Alabama. If it does not change the meaning of the section and, if accepted, I assume the gentleman's position is that he would vote for this bill.

Mr. BEGG. Absolutely; and I will say there are lots of other gentlemen who will vote with me.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. BEGG. Mr. Chairman, having yielded so much, I would like to ask for three more minutes. I have not taken any time in general debate and I will not take any more time than that.

The CHAIRMAN. The gentleman from Ohio asks unanimous consent to proceed for three additional minutes. Is there objection?

There was no objection.

Mr. BEGG. Now, in answer to the gentleman from Alabama [Mr. OLIVER] there is this difference: What is in the hearings is absolutely of no effect and is not binding as against what is in the contract, and if you gentlemen are wise you will put in the contract what you think the hearings mean, and that is only what I have tried to do. I want to vote for this bill, but I can not vote for it unless it is amended. I have to answer to my conscience for my vote and to nobody else, and I am not at all interested in who the other bidders are or whether there are one or more.

Mr. BURTNESSE. Will the gentleman yield?

Mr. BEGG. I will yield, although I hate to do so.

Mr. BURTNESSE. I take it the gentleman really attempts to set out a legislative guide for the court in determining whether or not a breach of the contract has occurred, rather than to leave that matter solely to the judgment of the court.

Mr. BEGG. No; I do more than that. I provide that no contract shall be entered into pursuant to the provisions hereof unless they embody these provisions as a part thereof. In other words, if this is adopted into law the Secretary of War, whosoever he may be, can not write a contract without this particular section of the law being written into the contract. It is nothing more or less than a forfeiture of all the rights and privileges and the personal and real property acquired at Muscle Shoals if he fails for three consecutive years to perform that part of the contract.

I want to ask my friend from Illinois [Mr. McKENZIE] if he is willing to state before the House that he will accept this amendment? I think that is important and I would like to have everybody hear his reply to that question.

Mr. McKENZIE. I did not catch the gentleman's question.

Mr. BEGG. I want to ask the gentleman point-blank whether he, as the leader for the bill on the Republican side, will accept this amendment?

Mr. McKENZIE. If the gentleman will pardon me for taking half a minute of his time, I will make a statement.

Mr. BEGG. I will.

Mr. McKENZIE. I want to say to my good friend from Ohio, and to all others in the House who hold the same views as the gentleman from Ohio, that there has been only one purpose, so far as the chairman of this committee is concerned and the members working with him, and the other members, too, for that matter, and that was to bring into the House a proposal in language so specific that there could be no question about Mr. Ford having to perform the contract.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. HILL of Maryland. Mr. Chairman, I ask unanimous consent that the gentleman from Ohio have five minutes more.

The CHAIRMAN. The gentleman from Maryland asks unanimous consent that the gentleman from Ohio may proceed for five additional minutes. Is there objection?

There was no objection.

Mr. McKENZIE. I want to say to the gentleman from Ohio that our committee spent days on this particular language, and after we adopted it we felt it was absolutely specific and certain. I feel we have it so written, but I want to say to my good friend from Ohio, and to every man in this House, that as one of the men who have stood consistently for the Ford offer, that I want nitrates made at Muscle Shoals for the farmer. I want nitrates made at Muscle Shoals for the farmers, and I want Henry Ford bound to do that, and I am sure that Henry Ford means to be bound, and has been frank about it, and I have no objection to the amendment of the gentleman from Ohio. [Applause.]

Mr. BEGG. I would like to ask the gentleman from Mississippi [Mr. QUIN], representing the minority side, if he will accept it?

Mr. WINGO. If the gentleman will permit, I would like to suggest to the gentleman from Illinois—

The CHAIRMAN. The gentleman from Ohio has the floor.

Mr. WINGO. Mr. Chairman, will the gentleman from Ohio yield?

Mr. BEGG. I will yield for a question; yes.

Mr. WINGO. You are trying to get an agreement, and I want to make a suggestion.

Mr. BEGG. I am not trying to get an agreement other than if the leaders of the bill are willing to say they will accept this amendment I think we can gain a lot of time in getting on.

Mr. WINGO. I want to say to the gentleman that whenever we come to that provision of the bill—

Mr. BEGG. There is no reason why you can not oppose it then, if you want to.

Mr. WINGO. Those who are careful to protect the rights of the United States Government along the very line the gentleman is striving to protect them are going to protest very vociferously against the gentleman's amendment.

Mr. BEGG. That is your perfect right.

Mr. WINGO. I want to do just what the gentleman does, but I think the gentleman's amendment destroys the very thing we are trying to do.

Mr. BEGG. I want to ask the gentleman from Mississippi if he will accept the amendment?

Mr. QUIN. My judgment of it is that the language the gentleman is employing there does not hurt this bill.

Mr. BEGG. Not a bit, if you are sincere.

Mr. QUIN. My judgment is the language which the gentleman has employed does not hurt this bill. There is provided in the bill everything that the gentleman's amendment proposes to carry out, and, so far as I am concerned, I would be willing to accept that amendment, as long as the gentleman from Illinois [Mr. McKENZIE], the author of the bill and the leader on the majority side, has accepted it.

Mr. BEGG. That is all I ask for.

Mr. O'CONNELL of Rhode Island. Does not your amendment still leave a loophole? I note you say for three successive years.

Mr. BEGG. If he fails for three successive years.

Mr. O'CONNELL of Rhode Island. Yes. The first and second year he might not manufacture any, and he might manufacture 40,000 tons the third year, and then the fourth and fifth year nothing.

Mr. BEGG. Absolutely; that is correct.

Mr. O'CONNELL of Rhode Island. And in nine years he might fail to manufacture six years out of the nine.

Mr. BEGG. You are absolutely correct.

Mr. HULL of Iowa. Will the gentleman yield?

Mr. BEGG. Yes.

Mr. HULL of Iowa. I asked the gentleman to yield because I want to call the attention of the gentleman from Alabama—

Mr. BEGG. Ask your question, because I have another statement I want to make.

Mr. HULL of Iowa. I will ask for more time for you. This is a very interesting point in this subject, and I want to call the attention of the gentleman from Alabama [Mr. OLIVER] to this fact: He read from the original proposal of Henry Ford, if I understood it correctly. Is not the one you had in your hand the original proposal? I want to call the attention of the committee to the fact that the original proposal is a much stronger and more binding proposal than the one that is now in the bill as section 14.

Mr. OLIVER of Alabama. No; I am reading from the last proposal of Henry Ford, dated May 31, 1922. This is the last and final proposal.

Mr. HULL of Iowa. That is not the same thing, because it has been changed.



Mr. MURPHY. Will the gentleman yield? I will ask for five minutes more for the gentleman, because this is an important matter.

Mr. BEGG. I have a little more time, and I will yield to the gentleman for a question.

Mr. MURPHY. There is quite a debate going on up here as to the real meaning of your amendment.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. MURPHY. Mr. Chairman, I ask that the gentleman be allowed five additional minutes.

Mr. GARRETT of Tennessee. Mr. Chairman, reserving the right to object, is the gentleman's amendment offered to the section which has been read?

Mr. BEGG. I will say to the gentleman that it is not, but it is the crux of all the other amendments, perhaps, on the passage of the bill, and it was only read for information, and I believe the gentleman would gain time if we could thrash this question out at this particular time. I am not anxious to take up more of your time, but I would like to have one more minute in order to make a statement.

Mr. GARRETT of Tennessee. Of course, it is very desirable to have time to examine the gentleman's amendment.

Mr. BEGG. Certainly; and the vote will not come until tomorrow, anyway, and some of us had no opportunity in general debate. I apologize for taking as much of your time as I have, but I have consumed at least half of it by yielding.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. MURPHY. I would like to ask my colleague what would be the effect if Mr. Ford, under the amendment of the gentleman from Ohio, were to fail to produce for two years, and on the third year produced according to his contract; and then for two years should fail again and produce again on the third year; in other words, if he should produce only two years out of six?

Mr. BEGG. All right; he could hold his property under my amendment if that condition prevailed.

Mr. MURPHY. Do you not think it ought to be made a little stronger?

Mr. BEGG. I would be perfectly willing. Every man in the House will have a chance to study this amendment to-morrow and I would be perfectly willing to make that impossible. I was trying to draft it in such a way that it would be absolutely fair to Mr. Ford and yet the people would be absolutely sure that they were going to get the fertilizer.

Mr. MURPHY. I want to say to my colleague it ought to be made to apply to every year. There is absolutely no excuse for this bill except the one that it is going to produce nitrates for the farmers.

Mr. BEGG. We all agree on that.

Mr. MURPHY. Then it should be every year.

Mr. JONES. Does not the gentleman think that this being a material provision in the contract, if Mr. Ford violates one of the terms of the contract he would forfeit the entire contract?

Mr. BEGG. No; because there is not anything in the bill which authorizes the Government to do anything other than to go into the Federal courts for the northern district of Alabama, in a court of equity, for redress.

Mr. JONES. But being bound by his contract, if he violates a material provision of the contract he forfeits his contract.

Mr. BEGG. But there are many loopholes, to my way of thinking, in the contract. For instance, it says if he is reconstructing his plant, and suppose he found at the end of three years it was not profitable, that it was not good business, and that he could make 10 times as much money out of something else, and he was inclined to avoid the contract, all he would have to do would be to tear down the plant and then take 50 or 60 years to reconstruct it and in that way avoid it.

Mr. JONES. Does not the gentleman think that as to the gentleman's amendment giving him three years, it would act as a limitation?

Mr. BEGG. No; it would not. Now, I yield to the gentleman from North Dakota [Mr. BURNES].

Mr. BURNES. In connection with the question asked by the gentleman from Ohio, I want to suggest that as I heard the amendment read, it adds to the rights the Government already has under the bill, and in the event the company should fail to provide fertilizer for one or two years the Government would still have the same right to proceed under the general terms of this bill and would have the right to proceed under section 18. If by any chance your amendment deprives the Government of the general rights under the bill as drawn, it would be dangerous and vicious.

Mr. BEGG. It does not. That is a good point, my friend brings out the point. My amendment does not take away any right to go into the court that the Government has under the bill. It simply provides a reversion clause; in the event the operator of this plant fails for three years this reversion takes place without court action.

Mr. JONES. Does not the gentleman think it would act as a limitation?

Mr. BEGG. No; it does not.

Mr. McKENZIE. Mr. Chairman, I call for the regular order. This amendment is not in order at this time.

Mr. WINGO. Mr. Chairman, I think the gentleman from Illinois is correct. This discussion should not come in until the amendment is read in connection with section 14, but in view of the fact that some gentlemen here are inclined to accept this, I think that we might discuss it now, because I think it is important. For that reason I am going to confine what I say to the amendment which the gentleman from Ohio [Mr. BEGG] intends to propose.

Now, let us see, what do you change? Section 14 of the bill provides, among other things, and it is the major language to be considered in the light of this amendment—I read from line 3, page 10, section 14:

Since the manufacture, sale, and distribution of commercial fertilizers to farmers and other users thereof constitute one of the principal considerations of this offer, the company expressly agrees that continuously throughout the leased period, except as it may be prevented by reconstruction of the plant itself, or by war, strikes, accidents, fires, or other causes beyond its control, it will manufacture nitrogen and other commercial fertilizer, mixed or unmixed, and with or without filler, according to demand—

And so forth.

Now, what does the gentleman from Ohio offer to do? To leave this language in the bill, and over at the end of section 14 he proposes to insert a provision which provides that if this company—because that is the thing we have to consider—if it was simply Henry Ford, I would not object to the amendment—if they shall fail to do what? For three consecutive years to manufacture annually not less than 40,000 tons of fixed nitrogen for the exclusive use of fertilizer, and so forth, then it voids the lease. Now, gentlemen, let us see where you are in law. First, when you come to adopt a provision under which the Government might recapture the property, you are confronted with the fact that you must forever bear in mind that it is not for 2 years or 3 years but for 100 years. Nobody can say to-day what might be the need or what might be the minimum capacity of that plant 25 years from now.

Suppose you put the gentleman's provision in there, and as the years go by there is a wonderful development there, so that this 40,000 tons will be a mere bagatelle, not alone as to the need but to the minimum capacity of the plant, and then, with Henry Ford in his grave, with cold-blooded business men running the plant, they will say to the United States Government in the time of dispute that may arise as to whether or not they had carried out the contract—they would say that Congress itself was not content to rely upon a statement of what the principal purposes are and rely upon the court of equity in the light of development to determine, as it must, whether there is a breach, but that Congress has undertaken to look into the future and arbitrarily fix the minimum productive capacity as a basis for voiding the lease, and if we keep up to that we can defy the Government even though that minimum fixed by law is a mere bagatelle, not only as to need but the very capacity of the plant itself.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. WINGO. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BEGG. Mr. Chairman, will the gentleman yield?

Mr. WINGO. Yes.

Mr. BEGG. If the gentleman be correct, that if my amendment be adopted it would give some one in 20 or 40 years an excuse for not making more, I should like to have the gentleman differentiate between the two words of the bill in section 14, where it says "at least 40,000" and my amendment wherein it says "not less than."

Mr. WINGO. I anticipated that argument, and was about to come to it. I was about to say, but you may contend that you have already put a minimum of 40,000 tons; yes, but that minimum of 40,000, which you find in lines 14 and 15, page 10, is not the sole consideration upon the question of whether

or not there has been a breach. The principal purpose is stated before that, and what is that main purpose? That main purpose is to manufacture, sell, and distribute commercial fertilizer to the farmers, and so forth; and it being one of the principal considerations of the lease, it must be met or the Government in equity may declare the lease voided and recapture the plant. In other words, under the provisions which you have, a court of equity, if we adopted this amendment, would turn to the debates here, would turn to the language of the bill as you have it here, and would say that evidently Congress intended to put either a restriction, or else Congress intended to make it more liberal, and the court would have to give some meaning to the language of the gentleman's amendment. The court would say that you already had a valid 40,000-ton provision in the bill and would ask what was meant by putting in this amendment. Nowhere else in the bill will you find one specific provision for the violation of which there can be a forfeiture of the rights of the corporation. I want to warn you again that you are dealing with a hundred-year proposition.

You gentlemen are familiar with the rule which will apply to exceptions and provisions under the contingencies upon which you may forfeit this lease. That rule is that the inclusion of one is the exclusion of all others, and if you put one specific provision in here and say that you may cancel the lease and recapture the property upon one contingency, and you say upon no other contingency, then you can anticipate what the attorneys for a corporation might argue when they get into a court of equity.

Mr. STRONG of Kansas. Mr. Chairman, will the gentleman yield?

Mr. WINGO. Yes.

Mr. STRONG of Kansas. Does not the gentleman think that the words "according to demand" refer to the preceding words, "with or without filler"?

Mr. STEVENSON. But the word "continuously" does not refer to the words "with or without filler."

Mr. WINGO. If the gentleman be correct, and he is, this provision, then, is not a limitation, and you are left with a bald statement just as when you write a contract and you say that time is the essence of it. You say here that the manufacture of fertilizer is of the essence of this contract. Then, in the light of conditions existing 20 years from now, if the case goes into court; in the light of the possibilities of this plant, in the light of the development of these processes, you may say that they are not doing what they continuously agreed to do, which is one of the principal purposes of the act—namely, the manufacture of fertilizer for the farmers of the United States—and then the Government would not be hamstrung by a little technical provision which may not have been violated.

The CHAIRMAN. The time of the gentleman from Arkansas has again expired.

Mr. HILL of Maryland. Mr. Chairman, I ask for recognition on the amendment offered by the gentleman from Ohio [Mr. BURTON], and I ask unanimous consent that the amendment be again reported.

The CHAIRMAN. Without objection, the Clerk will again report the amendment of the gentleman from Ohio.

The Clerk read as follows:

Amendment proposed by Mr. BURTON: In line 5, on page 2, strike out the words "to be controlled by Henry Ford."

Mr. HILL of Maryland. Mr. Chairman and gentlemen of the committee, if every member of this committee, which means every Member of the House, had yesterday heard the remarks of the gentleman from Ohio [Mr. BURTON] on this whole Muscle Shoals proposition, there would be no need to further debate the Ford offer. I wish to say a few words upon the amendment which Mr. BURTON has offered, an amendment which goes deep down to the foundation of this whole Muscle Shoals question.

The first paragraph of the McKenzie bill reads as follows:

For the purpose of carrying out the terms of this agreement, Henry Ford will form a corporation (hereinafter referred to as the company) with a capital stock of \$10,000,000, or more, of which at least \$10,000,000 shall be paid in, in cash, to be controlled by Henry Ford, which company will immediately enter into and execute all necessary or appropriate instruments of contract to effectuate this agreement. \*

What do those words mean—"to be controlled by Henry Ford"? You are asked here to create a monopoly of the greatest water power in this Nation for 100 years, and you are asked in the contract to give prior rights for another hundred years to the same interests. What do the words "to be controlled by Henry Ford" mean? Suppose those words were "to

be controlled by John D. Rockefeller." Mr. Rockefeller has been a most successful business man. Would any of you dare vote for this bill in that event? Suppose these words were "to be controlled by J. Pierpont Morgan." Mr. Morgan has also been a most successful business man. Would any of you dare vote for this bill if that were the case? Yet some gentlemen come in here and seriously attempt to put Henry Ford in a sacrosanct preferred class. Mr. Ford is 61 years of age. He may live for 20 years more, but who comes after Henry Ford?

Who will control the Ford Muscle Shoals corporation 25 years from now? Fifty years from now? One hundred years from now? Under the priority clause in the McKenzie bill who will control the proposed Ford corporation 150 years from now? Who, 200 years from now?

Who is it we are proposing to turn over the nitrate defense of this country to for the next 100 years, perhaps 200 years? You are proposing to turn it over to a corporation controlled by Henry Ford and by his heirs, or whom he decides. Who are his heirs, my friends?

I want to read this to you. I dislike to read the word "democratic" in it, because there is no politics in this, but I want you to hear it. You would not do this, no one of you, with the name "John D. Rockefeller" in place of Henry Ford; you would not do it if it contained the name of J. Pierpont Morgan. Why should you create in the heirs of Henry Ford a control of what the Secretary of War says is the greatest necessity for national defense?

I read here from volume 59, part 2, of the CONGRESSIONAL RECORD of February 19, 1920, on page 3111. There is no partisanship and there is no politics in this present discussion, but when gentlemen on the floor of the House say that we should turn over this proposition of national defense to a corporation to be controlled for 100 years by Henry Ford and his heirs, meaning thereby Edsel Ford, I want to quote what was said on the floor of the Senate on February 19, 1920, and then at a later opportunity in the debate I want to call to your attention what Secretary Weeks has said in reference to the nitrate situation as it relates to national defense. If it were to be controlled by Morgan or Rockefeller you would not touch it. Why should you prefer Henry or Edsel Ford? I will ask the Clerk in my time to read the marked section on page 3111.

Mr. McSWAIN. Will the gentleman yield?

Mr. HILL of Maryland. I regret I can not yield to my colleague on the Military Affairs Committee at this time.

The CHAIRMAN. Without objection the Clerk will read. The Clerk read from the statement made in the Senate by Senator Sherman as follows:

The Democratic State central committee of the State of Michigan spent as much or more money in the same campaign for Henry Ford, the sire of the distinguished military slacker, the scion and \$150,000 a year official of the Ford Motor Co. It was spent on his behalf by the State central committee, and Henry Ford knew as much about it as the Senator from Michigan who has been indicted because it is alleged, and must be proven, that he had guilty knowledge of the excess above that authorized by law. Mr. Ford knew as much of the activities and expenses of the Democratic State committee as Mr. Newberry. Why is Ford undisturbed? This administration indicts those who do not comply with its orders. Mr. Ford likewise indicts those who do not meekly obey his wishes.

If the amendment is intended to secure to the general public knowledge of Edsel Ford's exemption and his shameless dodging of his military service, then why ought it not to be had? It was an issue in the autumn of 1918 in the Michigan campaign. Mr. Ford was defeated upon that issue and not by the unlawful use of money.

"To be controlled by Henry Ford!" Why should we discard the Federal water power act? Why should we sell nitrate plant No. 2 and the Waco Quarry, which can now make nitrate for two field armies of 1,000,000 men? Why should we put the national nitrate defense in the "control" of Edsel Ford?

The CHAIRMAN. The time of the gentleman has expired. Mr. HILL of Maryland. I ask for two minutes additional? The CHAIRMAN. Is there objection?

Mr. HOWARD of Nebraska. Reserving the right to object, I want to plead with my colleague not to bring in the ghost of Newberry before the House again. [Laughter.]

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. HILL of Maryland. I will say to my colleague from Nebraska that I do not want to bring in the ghost of Mr. Newberry, but I am trying to keep out the skeleton of Edsel Ford. [Laughter.] Now, I desire to call the attention of the committee also—you can read it at your leisure—to volume 58, part 3, of the CONGRESSIONAL RECORD, page 2618, to Senator



Sherman's remarks on the "Edsel Ford exemption case." I shall not take your time by reading it.

The amendment offered by the gentleman from Ohio [Mr. BURTON] is to strike out the words "controlled by Henry Ford." If those words were "to be controlled by Rockefeller," you would not put them in, and you would not consider them at all. I say to you that when you tie up the greatest national defense project in the United States for 100 years to be controlled by Henry Ford and Edsel Ford, you do not do well for the national defense.

Mr. McSWAIN. If the gentleman will permit, I believe he stated yesterday that he personally is in favor of the bill of the gentleman from Iowa [Mr. HULL] to turn this proposition over to the Alabama Power Co. by lease, the Alabama Power Co. being controlled by foreign capital.

Mr. HILL of Maryland. The gentleman is indorsing a bill which provides for leasing the dams to a \$15,000,000 corporation for 50 years under the water power act to be controlled by Americans, and which does not sell any of the needed nitrate plants. I am against leasing the Wilson Dam to anybody for 100 years with prior right of renewal, and I am against selling nitrate plant No. 2 and the Waco quarry and all the rest to a corporation "to be controlled by Henry Ford." [Applause.]

Mr. BURTON. Mr. Chairman, I desire to ask unanimous consent to proceed for a minute. I desire to withdraw my amendment. My objection to the provision, as I stated, was not to Mr. Ford but because I believe a provision that a single individual shall own and control the stock of the corporation, or having a controlling interest in it, is an unlawful restraint on the powers of alienation and contrary to public policy. Personally I do not care whether it stays in or not.

Mr. LOZIER. Will the gentleman yield for a question?

Mr. BURTON. I will.

Mr. LOZIER. I will ask the gentleman if this sentence or language would not be absolutely meaningless if it ran counter to the laws of the State in which this corporation is organized? If it is organized under the laws of a certain State, the laws of that State will determine in reference to the divertment, management, and so forth, of the property.

Mr. BURTON. Yes. The law is uniform, I think, upon the right to alienate or transfer stock ownership.

Mr. McKENZIE. Mr. Chairman, I move that the committee do now rise.

Mr. MADDEN. Before the gentleman makes that motion I would like to offer an amendment and have it pending.

The CHAIRMAN. Without objection, the amendment of the gentleman from Ohio will be withdrawn.

There was no objection.

The CHAIRMAN. The gentleman from Illinois [Mr. MADDEN] offers an amendment to be printed for the information of the committee. Without objection, the Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. MADDEN: On page 18, amend section 23 by striking out, after the figures "23," all of the section and substituting in lieu thereof the following:

"Upon the acceptance of the Ford proposal, the promises, undertakings, and obligations shall be binding upon the United States and jointly and severally upon Henry Ford, his heirs, representatives, and assigns, and the company, its successors and assigns; and all the necessary contracts, leases, deeds, and other instruments necessary or appropriate to effect the purposes of this proposal shall be duly executed and delivered by the respective parties above mentioned."

Mr. WILLIAMS of Michigan. Mr. Chairman, I ask unanimous consent to have an amendment to section 4 placed in the Record and be considered as pending in view of the amendment offered by the gentleman from Ohio [Mr. BEGG]. It has to do with another part of section 14.

The CHAIRMAN. The gentleman desires to have it read at this time?

Mr. WILLIAMS of Michigan. Yes.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent to have an amendment read and printed in the Record for information. Is there objection?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. WILLIAMS of Michigan: Page 10, line 9, after the word "will," strike out the words "manufacture nitrogen and other commercial fertilizers, mixed or unmixed, and with or without filler, according to demand," and insert in lieu thereof the words "each year manufacture nitrogen and other commercial fertilizers, mixed or unmixed, and with or without filler, containing in the aggregate, at least, the amount of fixed nitrogen hereinafter stated, and

supply and offer the same for sale in accordance with the demand that may from time to time exist for the various kinds of fertilizer, whether mixed or unmixed, and with or without filler."

Mr. BURTON. Mr. Chairman, I desire to introduce an amendment, and ask unanimous consent that it be read and printed in the Record.

The CHAIRMAN. The gentleman from Ohio asks unanimous consent that his amendment be read and printed in the Record. Is there objection?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. BURTON: Section 3, page 2, line 23, after the words "United States," insert the words "under the terms of the Federal water power act"; on page 3, line 2, strike out the words "one hundred" and insert the word "fifty."

Mr. CHINDBLOM. Mr. Chairman, I desire to ask unanimous consent to have printed in the Record an amendment which I expect to propose at the end of section 23.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to print in the Record an amendment which he proposes to introduce at the end of section 23. Is there objection?

There was no objection.

Mr. GARRETT of Tennessee. Mr. Chairman, I thought it was to be read.

The CHAIRMAN. The gentleman did not ask to have it read.

Mr. CHINDBLOM. I will ask to have it read. It is a very important amendment.

Mr. BARKLEY. If all these amendments are going to be read, I shall object.

Mr. GARRETT of Tennessee. In order that it may be clearly understood, these amendments are not now being offered so that points of order are not necessary to be reserved at this time?

The CHAIRMAN. That is correct.

Mr. CHINDBLOM. Mr. Chairman, was leave granted to print my amendment?

The CHAIRMAN. Yes.

Following is the amendment referred to:

Amendment offered by Mr. CHINDBLOM: Page 18, line 19, add a new section, as follows:

"That in the exercise and enjoyment of all rights acquired under this act, Henry Ford, his heirs, representatives, and assigns, and the company, its successors and assigns, shall, so far as applicable, be subject, except as herein specifically otherwise provided, to all the terms, provisions, obligations, restrictions, and limitations of the Federal power act of June 10, 1920."

Mr. WILLIAMSON. Mr. Chairman, I ask unanimous consent to submit an amendment, for the information of the House, to section 23 of the bill, and ask that it may be printed in the Record.

The CHAIRMAN. The gentleman from South Dakota asks unanimous consent to print in the Record an amendment which he proposes to introduce at the proper place. Is there objection?

There was no objection.

Following is the amendment referred to:

Amendment offered by Mr. WILLIAMSON: Page 18, line 16, after the word "offer," insert "and to carry out the purposes of this act"; and after the word "assigns," in line 19 on same page, strike out the period, insert a comma, and add: "it being the intent hereof to bind Henry Ford, his heirs, representatives, and assigns, upon all contracts, leases, deeds, transfers, and conveyances executed by said company as fully and completely as though he had personally executed such instruments," so that the section will read:

"Sec. 23. All of the contracts, leases, deeds, transfers, and conveyances necessary to effectuate the acceptance of said offer and to carry out the purposes of this act shall be binding upon the United States, and jointly and severally upon Henry Ford, his heirs, representatives, and assigns, and the company to be incorporated by him, its successors, and assigns, it being the intent hereof to bind Henry Ford, his heirs, representatives, and assigns upon all contracts, leases, deeds, transfers, and conveyances executed by said company as fully and completely as though he had personally executed such instruments."

Mr. McKENZIE. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. MAFES, Chairman of the Committee of the Whole House on the state of the Union, reported that that

committee having had under consideration the bill (H. R. 518) to authorize and direct the Secretary of War to sell to Henry Ford nitrate plant No. 1, at Sheffield, Ala.; nitrate plant No. 2, at Muscle Shoals, Ala.; Waco Quarry, near Russellville, Ala.; and to lease to the corporation to be incorporated by him Dam No. 2 and Dam No. 3 (as designated in H. Doc. 1262, 64th Cong., 1st sess.), including power stations when constructed as provided herein, and for other purposes, and had come to no resolution thereon.

#### INVESTIGATION OF THE SHIPPING BOARD.

The SPEAKER. The Chair appoints the following committee authorized by the House for the investigation of the Shipping Board: Mr. WHITE of Maine, Mr. COOPER of Wisconsin, Mr. LEHLBACH, Mr. LINEBERGER, Mr. DAVIS of Tennessee, Mr. BANKHEAD, and Mr. CONNALLY of Texas.

Mr. GREEN of Iowa. Mr. Speaker, I desire to call up a privileged bill, which was unanimously reported by the Committee on Ways and Means. It will take only a few minutes.

The SPEAKER. Was it done by agreement with the gentleman from New York?

Mr. GREEN of Iowa. I will withdraw it for the present.

#### THE LATE EX-PRESIDENT WILSON.

Mr. CULLEN. Mr. Speaker, I ask unanimous consent that a memorial address delivered by the Hon. Joseph P. Tumulty in regard to the late ex-President Wilson, at the Academy of Music in Brooklyn, be printed in the Record.

The SPEAKER. The gentleman from New York asks unanimous consent to extend his remarks in the Record by inserting a memorial address delivered upon ex-President Wilson by Mr. Tumulty. Is there objection?

There was no objection.

Mr. CULLEN. Mr. Speaker, under the leave granted me, I insert the following:

ADDRESS BY JOSEPH P. TUMULTY AT THE MEMORIAL EXERCISES FOR WOODROW WILSON, UNDER THE AUSPICES OF THE BROOKLYN WOODROW WILSON MEMORIAL COMMITTEE, HELD AT THE ACADEMY OF MUSIC, BROOKLYN, N. Y., FEBRUARY 24, 1924.

Mr. Chairman, Judge Garvin, my friends, it is with deep-felt emotion that I find myself your speaker this afternoon, for I come to eulogize a devoted friend, a world leader, a preeminent statesman, a Christian gentleman, and a martyr to the cause of humanity.

This solemn, impressive memorial service for one who loved all mankind, renews tender and affectionate ties of friendship, ties that recall heroic days of martial strife, passion, devotion, consecration, and religious fervor to do right and justice by all—days when, in preparation for the mightiest conflict in the history of civilization, we saw the spirit of a free and knightly Nation express itself with a patriotic intensity and zeal equaled only by the medieval crusaders.

But, my friends, although the leader of this mighty outpouring of nationalistic earnestness and fervency be dead, let this be not a day of grief but a day of triumph and dedication.

Verily a mighty figure has fallen, but the indomitable and unconquerable spirit of Woodrow Wilson is still with us; an invisible and welcome guest of a world in which it struggled—not vainly—to free mankind from the thralldom, the bitterness, the rancor, the enslavement, and the hatreds of war.

And so, we are here to-day resolved that the dead shall not have died in vain and with burning hope in our hearts that the valorous cause of peace for which he ordained his life, fought, suffered, and gave the last full measure of devotion, shall, in the Providence of God, working through the efforts of those he left behind, be brought closer to ultimate realization. No ideal like that of peace can be blotted out any more than the everlasting hills can be destroyed. God does not permit waste.

Yes, my friends, Woodrow Wilson is as great and as noble in death as in life. With the shroud drawn, partisan rancor, personal hatred, and the envy of little men are held at bay and forever silenced, and now with bared heads we stand in reverential awe before the tomb to honor him who gave his body, his mind, his soul—yes, his very all for the sacred truths upon which our own Magna Charta was founded; and for the saving of a world from the cruel and blighting plague of war.

With Woodrow Wilson, "right was more precious than peace." With him as our leader and inspiration, "we fought for the things we have always carried nearest our hearts, for democracy, for the right of those who submit to authority to have a voice in their own government, for the rights and liberties of small nations, for a universal dominance of right by such a concert of free peoples as shall bring peace and safety to all nations and make the world itself, at last, free."

Woodrow Wilson, with a vision clear, saw the broad horizons of life and sought to interpret the feeling and aspiration of peace that came to him, hot and bloody, out of the trenches, that spirit that has

cried down through the centuries for peace, for everlasting peace, the cry that he seemed to hear above the hiss of shrapnel and the roar of the cannonading. Who shall say that the seed of peace, planted by him, freshened by his sacrifices, vitalized by his sorrows, is not again to be renewed by his pains, his sufferings, his death, and will not in God's good time come to real fruition? His vision seemed to see the things that to us were unseen. With unflinching courage he trod the hard, stony way with the hope in his heart that in his deathless struggle for peace humanity could be saved from a renewal of this barbarous, savage, bloody thing called war. Yes, he not only sought to save the world, but he died to preserve inviolate the landmarks of Christianity and civilization.

And now that this courageous figure has passed from its temporal stage, with charity in our hearts for those whose malice and perfidy conceived unjust attacks upon him, we recall that his enemies laughed his statesmanship to scorn, called it impotent, futile, and without result; said there was no use appealing to moral force in a world in which the forces of civilization were engaged in a veritable death grapple; and yet it requires neither the vision of a seer nor that of a philosopher to understand that the mightiest blows struck at German morale and prestige were those found in the immortal preachments of Woodrow Wilson—preachments that went like shot and shell to destroy what appeared to be the impregnable fortress of German power. Von Tirpitz, in his memoirs, stressed the effect of Wilson's submarine notes. Ludendorff declares in his book that "the Wilson propaganda" that found root in Berlin and finally grew there eventually convinced the German people that it was not they themselves but the Government and militarism that the United States was warring against. This was the seed of dissension that ruined morale at home." Von Tirpitz further states that "Only the transmitting to Germany of the threatening notes of President Wilson, when he inveighed against 'my submarine campaign' during the latter stages of the war, prevented Japan from coming to us in a great Germano-Japanese alliance, which would have ended the war at once." The persistent note writing of Woodrow Wilson, so often the subject of song and jest, was as mighty a force in winning the war as the consummate strategy of Joffre and Foch. You recall how the javelins of political slander were hurled at what was called the miserable, puerile policy of watchful waiting. The President's traducers said it was weak, vacillating, contemptible, and yet, my friends, when Abraham Lincoln, the great emancipator, faced a crisis in Mexico similar to that which confronted Woodrow Wilson, his policy was essentially the same. This is proved by Government records recently brought to light by Prof. Walter L. Davis, of the history department of the College of Puget Sound. Lincoln, according to these records, watchfully waited and indicated his aversion to aggressive action by appointing as minister to Mexico the very man who had bitterly opposed American interference 15 years before. He also issued the following instructions to his new minister:

"For a few years past the condition of Mexico has been so unsettled as to raise the question on both sides of the Atlantic whether the time has not come when some foreign power ought, in the general interest of society, to intervene, to establish a protectorate or some other form of government in that country and guarantee its continuance there.

"You will not fail," continues Lincoln, "to assure the Government of Mexico that the President neither has, nor can ever have, any sympathy with such designs in whatever quarter they may arise or whatever character they take on."

You will find in the public utterances of Woodrow Wilson on Mexico the same breadth of vision, the same human sympathy, the same magnanimity, as are found in the utterances of Lincoln.

Let me read what Woodrow Wilson said on Mexico when a great crisis in that country confronted him:

"The situation in Mexico," he said, "must be given a little more time to work itself out in the new circumstances. I believe that only a little while will be necessary. \* \* \* We must exercise the self-restraint of a really great nation which realizes its own strength and scorns to misuse it. I am more interested in the fortunes of oppressed men, women, and children than in property rights whatever. \* \* \* The people of Mexico are striving for the rights that are fundamental to their lives and happiness—15,000,000 oppressed men, overburdened women, and pitiful children in virtual bondage in their own home of fertile lands and inexhaustible treasure."

But in spite of this magnanimity of purpose his enemies smugly shrugged their shoulders and said with disdain:

"Well, what's the use? What can you expect from a dreamer of dreams, a mere doctrinaire? Doesn't Wilson, the historian, know that force and force alone can bring that grizzly old war-lord, Huerta, to his senses?"

Ah, my friends, it was disheartening to find bitter criticism of this policy from the outside and depressing to find the enemies of watchful waiting "boring from within" through certain of his Cabinet officers.

"And one denies, and one forsakes, and still unquestioning he goes, who has his lonely thoughts."



The critics of his broad, humanitarian policy in Mexico said that the only antidote for what was happening there was force and intervention, and they honorably urged this view upon the President, but without succeeding in bringing about the consummation so dear to their hearts.

But, little by little, the usurper, Huerta, was being isolated. By moral pressure every day his power and prestige were perceptibly crumbling. His collapse was not far away when the President declared, "We shall not, I believe, be obliged to alter our policy of watchful waiting."

And the campaign of Woodrow Wilson to force Huerta finally triumphed. On July 15, 1913, Huerta resigned and departed from Mexico. Wilson's humanity and broad statesmanship had won over the system of cruel oppression for which the "unspeakable Huerta" had stood. You recall, do you not, that when Lincoln announced his doctrine of a house divided against itself, his friends were bitter in their criticism; they said it was a foolish utterance; others said it was ahead of its time, that it would drive away a good many voters from the Republican ranks, and that it would mean his defeat.

Lincoln was adamant, and in replying to his critics said:

"I would rather be defeated with this expression in the speech and uphold it and discuss it before the people than be victorious without it."

When Woodrow Wilson advocated a League of Nations people called him a dreamer, idealist, an altruist, "ahead of his time." But he was indifferent to criticism and in one of his western speeches said, "If I felt that I personally stood in the way of this settlement, I would be glad to die that it might be consummated." In an admirable speech on the western trip, broken in health but indomitable in spirit, calling upon God to strengthen his hand in the battle he was making for peace, Woodrow Wilson said, "I believe in God. If I did not, I would go crazy. If I thought the direction of the disordered affairs of this world depended upon our finite intelligence, I should not know how to reason my way to sanity, and I do not believe there is any body of men, however they concert their power or their influence, that can defeat this great enterprise, which is the enterprise of divine mercy and peace and good will."

Woodrow Wilson hated war and dreaded it in all the fibers of his soul—he hated it and dreaded it because he had an imagination and a heart; an imagination which showed his sensitive perception of the anguish and the dying which war entails, a heart which yearned and ached over every dying soldier and bled afresh with each new-made wound.

He understood better than his critics the basis of the Nation's impatience for war, but that in no way hurried him into rash or precipitate action. At a private dinner in Washington he took cognizance of this critical situation and, addressing a group of Senators and Congressmen and high dignitaries of state, he spoke of the impatience of the country which then manifested itself, saying:

"I wish that whenever an impulse of impatience comes upon us, whenever an impulse to settle a thing some short way tempts us, we might close the door and take down some old stories of what American idealists and statesmen did in the past and not let any counsel in that does not sound in the authentic voice of American tradition. Then we shall be certain what the lines of the future are, because we shall know we are steering by the lines of the past. We shall know that no temporary convenience, no temporary expediency, will lead us either to be rash or to be cowardly. I would be just as much ashamed to be rash as I would to be a coward. Valor is self-respecting. Valor is circumspect. Valor strikes only when it is right to strike. Valor withholds itself from all small implications and entanglements and waits for the great opportunity when the sword will flash as if it carried the light of heaven upon its blade."

They said he was cold; that he was aloof. Yes, like Lincoln, "that brooding spirit had no familiars." It never spoke out in complete "self-revelation." "It was a very lonely spirit that comprehended men without fully communing with them, as if, in spite of all its genial efforts at comradeship, it dwelt apart, saw its visions of duty where no man looked on."

Yes; there was an aloofness and an aloneness about Woodrow Wilson, but it was the aloofness and the aloneness of the mountain peak looking down upon the valleys and seeing humanity, not as a thing of shreds and patches, a thing divided into races, religions, clans, and blocs, but a big, pulsating whole, made up of struggling men, women, and children of all races and creeds. That great heart of Woodrow Wilson sought to comprehend the interests of these heterogeneous elements and understand their lives and their tragedies far, far away from those artificial lines that divide men.

Woodrow Wilson was not only great but he was human. But this humanness was made out of too fine a fiber to be used for self-exploitation, nor would he ever permit himself to be so used. The trouble with his peculiar kind of humanness was this: It did not bubble, it did not effervesce, it did not sparkle; and so they called him cold when he was only shy; they mistook his gentility for au-

terity. But that kind of a man will live in the hearts and thoughts of men forever.

You remember Lincoln's statement that God must have loved the poor because he made so many of them. I am reminded of the passionate devotion and love of the average man which seemed to set on fire every utterance Woodrow Wilson made. Many of you will recall his visit to this very city on May 11, 1914, to make an address at the service held in memory of those who lost their lives at Vera Cruz, Mexico.

On that occasion he said:

"When I look at you, I feel as if I also and we all were enlisted men—not enlisted in your particular branch of the service, but enlisted to serve the country, no matter what may come, even though we may sacrifice our lives in the arduous endeavor. We are expected to put the utmost energy of every power that we have into the service of our fellow men, never sparing ourselves, not condescending to think of what is going to happen to ourselves, but ready, if need be, to go to the utter length of complete self-sacrifice. As I stand and look at you to-day and think of these spirits that have gone from us, I know that the road is clearer for the future. These boys have shown us the way, and it is easier to walk on it because they have gone before and shown us how. May God grant to all of us that vision of patriotic service which here in solemnity and grief is borne in upon our hearts and consciences!"

And then again, in the following lines, Woodrow Wilson's devotion and understanding of the problems of the average man radiates the altruism of the passionate Democrat:

"Life, gentlemen—the life of society, the life of the world—has constantly to be fed from the bottom. It has to be fed by those great sources of strength which are constantly rising in new generations. Red blood has to be pumped into it. New fiber has to be supplied. That is the reason I have always said that I believed in popular institutions. If you can guess beforehand whom your rulers are going to be, you can guess with a very great certainty that most of them will not be fit to rule. The beauty of popular institutions is that you do not know where the man is going to come from, and you do not care, so he is the right man. You do not know whether he will come from the avenue or from the alley. You do not know whether he will come from the city or the farm. You do not know whether you will ever have heard that name before or not. Therefore you do not limit at any point your supply of new strength. You do not say it has got to come through the blood of a particular family or through the processes of a particular training, or by anything except the native impulse and genius of the man himself."

"The humblest hovel, therefore, may produce your greatest man. A very humble hovel did produce one of your greatest men. That is the process of life, this constant surging up of the new strength of unnamed, unrecognized, uncatalogued men who are just getting into the running, who are just coming up from the masses of the unrecognized multitude. You do not know when you will see above the level masses of the crowd some great stature lifted head and shoulders above the rest, shouldering its way, not violently but gently, to the front and saying, 'Here am I; follow me.' And his voice will be your voice, his thought will be your thought, and you will follow him as if you were following the best things in yourselves."

And so, my friends, who shall say that these struggles and efforts for peace of Woodrow Wilson are in vain? How beautifully and artistically does God manipulate the scenes of life and thus weave His immortal spell!

Those who execrated Woodrow Wilson, those who knocked, knocked, knocked at the door of his sick room, spying upon a weary President, pursuing him like a deer set upon by snarling hounds, are now in the shadow of exile and disgrace, resting under the blight and stigma of a Nation's shame and reproach, while the great spirit of Woodrow Wilson takes flight.

"O death, where is thy sting? O grave, where is thy victory?" From his lofty eminence of fame and everlasting glory we seem to see him looking down upon us through wistful eyes and saying:

"We have begun a fight that, it may be, will take many a generation to complete, the fight against special privilege; but you know that men are not put into this world to go the path of ease. They are put into this world to go the path of pain and struggle. There are men who have fallen by the wayside; blood without stint has been shed; men have sacrificed everything in this sometimes blind but always instinctive and constant struggle; America has undertaken to lead the way; America has undertaken to be the haven of hope, the opportunity for all men. Don't look forward too much. Don't look at the road ahead of you in dismay. Look at the road behind you. Don't you see how far up the hill we have come? Don't you see what those low and damp miasmatic levels were from which we have slowly led the way? Don't you see the rows of men come, not upon the lower level but upon the upper, like the rays of the rising sun? Don't you see the light starting and don't you see the light illuminating

all nations? Don't you know that you are coming more and more into the beauty of its radiance? And then trust your guides, imperfect as they are, and some day, when we are dead, men will come and point at the distant upland with a great shout of joy and triumph and thank God that there were men who undertook to lead in the struggle. What difference does it make if we ourselves do not reach the uplands? We have given our lives to the enterprise. The world is made happier and humankind better because we have lived."

And now the end, the tragic end, the thrilling end; and as the great soul of Woodrow Wilson took flight we were reminded of the words of Paul the Apostle to Timothy:

"For I am now ready to be offered, and the time of my departure is at hand."

"I have fought a good fight; I have finished my course; I have kept the faith."

Mr. SNELL. Mr. Speaker, I present a resolution and ask unanimous consent for its immediate consideration.

The SPEAKER. The gentleman from New York presents a resolution and asks for its immediate consideration. The Clerk will report it.

The Clerk read as follows:

ALLEGED CHARGES AGAINST TWO MEMBERS OF CONGRESS.

House Resolution 211.

Whereas a grand jury of the district court of the United States for the northern district of Illinois, eastern division, impaneled at the February term, 1924, has reported to that court that certain evidence had been submitted to them involving the payment of sums of money to two Members of Congress:

Resolved, That the Attorney General be directed to transmit to the House of Representatives, if not incompatible with the public interest, the names of the two Members of Congress and the nature of the charges made against them.

The SPEAKER. Is there objection to the present consideration of this resolution?

There was no objection.

Mr. SNELL. Mr. Speaker, the words of the resolution fully explain its intent and purpose, and need no further explanation from me at this time.

There is a general feeling among Members of the House that on account of various rumors that are being spread broadcast throughout the land at the present time, seriously reflecting on the integrity and honesty of Members of Congress, we can not longer sit idly by and not give these rumors consideration by the House. [Applause.]

The Committee on Rules have given this matter careful consideration. They fully appreciate the importance of the whole proposition and the seriousness of it, and they have directed me to report this resolution to the House and ask for a vote on the same.

I yield five minutes to the gentleman from Ohio [Mr. LONGWORTH].

The SPEAKER. The gentleman from Ohio is recognized for five minutes.

Mr. LONGWORTH. Mr. Speaker, as the gentleman from New York has just stated, in the past few days rumors have been flitting about this Capitol which cast serious reflection upon two Members of Congress and virtually upon the honor of this entire body. These rumors are based upon a report of a grand jury made to the court something like a week ago. The grand jury was engaged in the investigation of the Veterans' Bureau, but in the report made to the court it went very far afield in recommending that attention be given to certain other matters brought out during the course of the investigation. I will not read the whole report but only the part which relates to the resolution before us. The grand jury said:

Incidental to the investigation of matters of which this grand jury had jurisdiction certain other facts not directly pertaining to the Veterans' Bureau were developed by counsel for the Government which we regard of great importance.

Observe, gentlemen, that the rumors which we have heard reflecting on any Members of Congress were merely incidental to the investigation of the Veterans' Bureau case, and the grand jury admitted it had no jurisdiction in the premises. The report goes on to say:

There is no jurisdiction of them in the northern district of Illinois, but we are assured by Mr. Crim—

Who was the prosecutor retained by the Department of Justice—

that he will lay them before the Attorney General and the President for consideration. We do not feel that it would subserve the best

interests of the Government for this jury to make public at this time the details of these transactions. This jury feels it will suffice to report to your honor that they involve—

Then come a number of accusations against persons in Government employ and out, among them the following:

That certain sums of money were paid to two Members of Congress.

This morning two gentlemen connected with the Department of Justice, Mr. Crim and Mr. Seymour, now Acting Attorney General, requested an interview with the Speaker, the gentleman from Tennessee [Mr. GARRETT], and myself, in which they explained how this whole thing had arisen. Mr. Crim stated that a very large part of the evidence used in investigating the War Veterans' Bureau case came from crooks and criminals who were turning State's evidence, and that in asking them questions their answers frequently led far afield and that he was compelled to follow those clues as far as they went. So that on the statement of the grand jury itself this particular charge, involving two Members of Congress, is based upon the testimony of crooks and criminals.

The whole thing would not be so bad, gentlemen, if the Department of Justice had its case ready for immediate presentation, but Mr. Crim and Mr. Seymour were unable to assure us of any trial of these two Members of Congress for weeks to come, because the matter must be brought before a grand jury impaneled in the District of Columbia; their evidence is not ready and many of their witnesses, being crooks and criminals, are not immediately available because they do not know where they are or whether they can get them.

Gentlemen, that is the position this House is in to-day, with these gross slurs and insinuations cast upon Members of our body and no assurance whatever that anything is going to be done within months from now. We thought this morning, the Speaker, the gentleman from Tennessee [Mr. GARRETT] and I, that we ought to take action at once. Here is a grand jury that presents to a court a statement which is made public and that among other persons suspected are two Members of Congress, but they decline to reveal their names.

Mr. MADDEN. Will the gentleman yield for a question?

Mr. LONGWORTH. Yes.

Mr. MADDEN. Did the gentleman from Ohio, the gentleman from Tennessee, and the Speaker have any assurance that the names will be revealed on request under the resolution?

Mr. LONGWORTH. I will say to the gentleman that we had no such assurance.

Mr. MADDEN. I hope there will not be any hidden reasons why they should not be revealed.

Mr. UNDERHILL. Will the gentleman yield?

Mr. LONGWORTH. I will yield.

Mr. UNDERHILL. Suppose the names are given? What are you going to do with them then?

Mr. LONGWORTH. That will be for the House, in its wisdom, to decide; but that can not come until later. I am talking about what we ought to do here and now in order to purge the House of these charges. [Applause.]

Mr. STEAGALL. Would not the gentleman be willing to amend the resolution so as to strike out the clause in language like this, "if incompatible with the public interest"?

Mr. LONGWORTH. Well, that is the usual form.

Mr. STEAGALL. I want to offer a motion at the proper time to strike that out, because I think, if the gentleman will permit, that this case is entirely different from an ordinary case. The Constitution puts the power in the Congress to deal with a man who has been corrupted while a Member of this body, and anything a grand jury might do is trivial compared with the importance of driving out of this House any man who may have been guilty of such offenses; and if he is not guilty, the men who have made the charges ought to be held to strict accountability.

Mr. GARNER of Texas. If the gentleman from Ohio will permit, I think the gentleman is in error about saying that this is in the usual form. The usual form, when directed to the President, is to use the words "if not incompatible with the public interest," but the House or Senate either has the right to direct a Cabinet officer to make reports on such matters.

Mr. LONGWORTH. Personally, I would have no objection to demand this information forthwith.

Mr. GARNER of Texas. That is the custom. The custom is to direct a Cabinet officer and to request the President, if not incompatible with the public interest.

Mr. NEWTON of Minnesota. Will the gentleman yield?

Mr. LONGWORTH. I think I can perhaps make the situation clearer if you will allow me to proceed, but I yield to the gentleman.

Mr. NEWTON of Minnesota. In view of what the gentleman has said in reference to the nature of the evidence offered



and the character of the witnesses, I would like to make this suggestion: The request is for the names of the two Members and "the nature of the charges" made against them, and it seems to me that that would only mean whether it was bribery or larceny or something of that kind. It seems to me we should also inquire something about the nature and substance of the evidence that accompanies it. [Applause.]

Mr. LONGWORTH. If the gentlemen had permitted me to proceed, perhaps none of these questions would have been asked. This is the situation. As I say, I do not want to comment now upon whose fault it was in bringing this stuff before the public. The grand jury had no jurisdiction over these matters. They were not involved in the trial of the Veterans' Bureau case and had nothing to do with it. Whether it is the fault of officials in the Department of Justice solely or of the grand jury solely I am not prepared to comment upon at this time, but the fact is that a week ago this statement was made public in the court that two Members of Congress had received money. Did anybody suppose for a moment there would not be a leak there? Did not every member of the grand jury who supported this report know that this would leak out and that names would be freely bandied about? And the worst of it all is it will be a month at least before the prosecution will even be initiated. In the meantime are we to sit here complacently and let these vile rumors fly all over the country and not compel the Department of Justice to reveal the names of these people whom they propose to indict and convict, if they can?

The SPEAKER. The time of the gentleman from Ohio has expired.

Mr. SNELL. I yield to the gentleman from Ohio five additional minutes.

Mr. LONGWORTH. I will only take a very short time, because the discussion of this subject revolts me. Suppose the department reveals to us to-morrow these two names and the charges. It is then possible for the gentleman so charged to arise to a question of privilege and defend themselves and show the unfounded nature of these charges, if they are unfounded. [Applause.] If they do not do that, then we have to do one of two things—either undertake the investigation of the case ourselves or leave it all to the Department of Justice. In either case, by passing this resolution we will have done the one thing that men of honor ought to do when the membership and the honor of their body is assailed. [Applause.]

Mr. O'CONNOR of Louisiana. Will the gentleman yield for a question?

Mr. LONGWORTH. I yield to the gentleman.

Mr. O'CONNOR of Louisiana. Would it not be well to telegraph the foreman of that grand jury and ask him for the names of the two alleged Congressmen and the evidence which the grand jury may have ascertained?

Mr. LONGWORTH. Of course that information is already in the hands of the Department of Justice. The Department of Justice intends, so they say, to indict these two men and, if possible, to convict them; but so far they have declined to reveal who they are.

Mr. SUMNERS of Texas. Will the gentleman yield?

Mr. LONGWORTH. I yield.

Mr. SUMNERS of Texas. I want to make, with the gentleman's permission, a very brief suggestion, and that is, in proceeding with this matter, whatever may be done, from the beginning until the conclusion, ought to be done in such a temper and with such a purpose manifested as to disclose the facts and punish the guilty, if there are any guilty, and to protect the innocent, that there can be no question about the sincerity of our purpose to see that the innocent are protected and the guilty are punished. We not only owe the duty to have that purpose, but we owe the duty so to proceed that regardless of results that purpose and its execution can not be questioned.

Mr. LONGWORTH. The gentleman is exactly right, and he echoes my sentiments.

It is our solemn duty to bring to justice any and all who are guilty of corruption. Equally we must see that the reputations of innocent men are not blasted by the wild statements of irresponsible sensationalists.

I append hereto the report of the grand jury:

In the District Court of the United States of America for the Northern District of Illinois, Eastern Division,

Special report of the United States grand jury impaneled at the February term, 1924, to inquire into certain matters pertaining to the operation of the United States Veterans' Bureau.

FREDERICK N. MASON,  
Foreman.

In addition to the matters in which indictments have been returned this grand jury heard a great deal of testimony pertaining to other transactions having to do with the United States Veterans' Bureau, and it feels that it should say to your honor with respect to the contracts between the Veterans' Bureau and the Continental Chemical Co., known as the floor wax contract, and the contract between the bureau and the Society for Visual Education, that it has not found anything criminal with respect to these matters. It feels that bad judgment was used by the bureau in entering into these contracts, but it does not find anything in connection with them which justifies a formal accusation in the form of an indictment.

It heard a great deal of evidence with respect to transactions known as "Perryville," "Tupper Lake," and "Livermore." It found no basis for this grand jury prosecuting an inquiry concerning these transactions to the extent which it feels desirable for the reason that no act concerning them was committed in the jurisdiction of this court. It does believe, however, that those transactions should have further investigation by the Government, and similarly we feel the so-called subsistence contract should have further scrutiny.

Incidental to the investigation of matters of which this grand jury had jurisdiction certain other facts not directly pertaining to the Veterans' Bureau were developed by counsel for the Government which we regard of great importance. There is no jurisdiction of them in the northern district of Illinois, but we are assured by Mr. Crim that he will lay them before the Attorney General and the President for consideration. We do not feel that it would subserve the best interests of the Government for this jury to make public at this time the details of these transactions. This jury feels it will suffice to report to your honor that they involve (1) speculation by one or more officials of the Government wherein it has been asserted that official information was used for purposes of speculation; (2) that certain sums of money were paid to two Members of Congress; (3) that possession of a file of one of the departments for about a month was had by persons having no official connection with such department; (4) that money was accepted by certain individuals (not attorneys) for the purpose of obtaining clemency for prisoners through their intimacy with officials; (5) that money was collected by certain individuals (not attorneys) for obtaining through such intimacy permits for intoxicating liquor.

This jury has sat 15 days, with rare exceptions holding two sessions per day. It has heard the testimony of 44 witnesses; it wishes to commend Mr. Crim and his assistants for their work, and it feels that in the interest of justice it ought to say to your honor that the compensation of \$3 per day and the present legal mileage allowed to grand jurors place a burden on jurors, particularly those who come long distances, which it feels should be relieved by appropriate legislation.

Respectfully,

Foreman.

Mr. GARRETT of Tennessee. Mr. Speaker, the gentleman from Ohio [Mr. LONGWORTH] has stated concisely and accurately the situation which exists relative to this very delicate matter as it appeared to, I think I may say, the Speaker, the gentleman from Ohio, and myself and to the members of the Committee on Rules. It is a very peculiar situation. I know of no precedent. A grand jury sitting in a distant city, engaged in an investigation along a particular line, obtains incidental allegations, apparently not of matters connected with the particular subject which it is investigating, and thereupon makes a report to the court which becomes public. That report is carried throughout the United States. It is carried, or has been carried, in a garbled form. On Tuesday last, after having read in various papers of the country how this story was being carried, I felt it proper to present a resolution to create a committee to investigate the matter. I would not ordinarily present a resolution based upon press reports, but bear in mind that the press reports concerning this matter were based on a grand jury report; therefore it seemed to me not only proper but extremely necessary that there should be a resolution presented and investigation had as to any allegations that might involve Members of the House of Representatives. It is an extremely delicate matter with which we are dealing. Such information as I have is that the Department of Justice is not sure of its ground as regards any Member of the House—

Mr. OLIVER of Alabama. Will the gentleman yield?

Mr. GARRETT of Tennessee. I will.

Mr. OLIVER of Alabama. The gentleman properly stated that the reason why he introduced the resolution was that it was predicated on the grand jury report. It is also usual that the grand jury report has the indorsement of the district attorney when sent out, which likewise gives to this rumor even greater force than the mere handing out of a grand jury report.

Mr. GARRETT of Tennessee. I will say that I do not know the custom in that regard, but it is proper to say that the dis-



trict attorney of the Chicago district apparently had nothing to do with this matter. This investigation before the grand jury was conducted by a special attorney of the Department of Justice and the district attorney in Chicago has had, from the record, nothing to do with the matter so far as I know.

Mr. CLARK of Florida. Will the gentleman yield?

Mr. GARRETT of Tennessee. I yield to the gentleman from Florida.

Mr. CLARK of Florida. I desire to say to the gentleman that in my opinion the grand jury is absolutely supreme in the matter of its reports. The district attorney or the prosecuting attorney has no control over it whatever.

The SPEAKER. The time of the gentleman from Tennessee has expired.

Mr. GARRETT of Tennessee. I ask for five minutes more.

Mr. SNELL. I yield five minutes more to the gentleman.

Mr. GARRETT of Tennessee. I do not know the practice as regards the grand jury procedure in the Federal court. The gentleman from Florida states that the district attorney has no control over it, and the grand jury is entitled to make its report, and of course that statement I accept. But the fact is that the grand jury has made the report and has undertaken to involve Members of Congress, so it is necessary for us to do something.

Mr. BLANTON. Will the gentleman yield?

Mr. GARRETT of Tennessee. I will.

Mr. BLANTON. Of course there are exceptions, but is not it the general rule that the prosecuting attorney who conducts investigations before the grand jury, does prepare the report for the grand jury, and suggests to the grand jury what shall go into it?

Mr. GARRETT of Tennessee. I can not tell the gentleman because I never have been a district attorney or a special prosecutor.

Mr. OLIVER of Alabama. Will the gentleman further yield?

Mr. GARRETT of Tennessee. I will.

Mr. OLIVER of Alabama. The gentleman from Ohio [Mr. LONGWORTH] stated a few moments ago that the special agent or assistant of the Department of Justice stated that he intended to impanel a grand jury and prosecute the cases. So evidently the report on which the gentleman has properly based a recommendation has the sanction of this special attorney.

Mr. NEWTON of Minnesota. Will the gentleman yield?

Mr. GARRETT of Tennessee. I will yield.

Mr. NEWTON of Minnesota. My recollection of the statement of the gentleman from Ohio [Mr. LONGWORTH] was that the special prosecutor stated that it would be some weeks and perhaps months before this could be brought into court, due to the fact that there was not now a grand jury sitting in the District of Columbia. It is my understanding that the Federal grand jury is almost in continuous session in the District of Columbia.

Mr. LONGWORTH. If the gentleman from Minnesota will pardon me, I did not make exactly that statement.

Mr. NEWTON of Minnesota. I do not want to misquote the gentleman, but I got the impression that the gentleman said there was no grand jury in session and would not be for some time.

Mr. LONGWORTH. I said that there would be some delay and that the delay was occasioned by the fact that they did not know where the witnesses were and did not have the papers and evidence.

Mr. NEWTON of Minnesota. Then it resolves itself into this, that what the Department of Justice now has in its possession is not legal evidence which they feel warranted in submitting to a Federal grand jury here or they would submit it now and there would be no delay. Apparently they feel that before they can make a prima facie case additional evidence must be obtained. Is not that correct?

Mr. GARRETT of Tennessee. I do not like to interpret the words of the Attorney, Mr. Crim. I do not like to draw even conclusions from what he said. I would prefer not to. What I think is this. If we were to appoint a special committee, that special committee would necessarily have to go to Mr. Crim or somebody else to get a beginning of its investigation, because the whole thing hinges around this report of the grand jury in Chicago. Therefore, it seems to me that we might just as well pass this resolution.

Mr. NEWTON of Minnesota. I heartily agree with the gentleman as to that.

Mr. COOPER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. GARRETT of Tennessee. Certainly.

Mr. COOPER of Wisconsin. I want to suggest to the gentleman from Tennessee my understanding of the facts. Mr. Crim, whom the gentleman from Tennessee has called the special prosecutor, was until very recently on the staff of the present Attorney General of the United States. He resigned from that position, if newspaper rumor is true.

Mr. GARRETT of Tennessee. Did he resign, or was he fired?

Mr. COOPER of Wisconsin. Neither he nor the Attorney General has told me, and I do not know. He left his position. Then when this exposé of the corruption in the Veterans' Bureau was made, he was appointed special attorney to conduct an investigation before the grand jury at Chicago. He, an attorney specially appointed by the Department of Justice, now comes back to Washington with the finding of the grand jury that two members of the House, our fellow members, are corrupt. That is what it means. According to newspaper statements he took the names of those two members to the President of the United States in secret conference. As a result, the good name of every Member of this House, including the gentleman's and mine, is besmirched. As for me I wish here to announce that I want no technicalities invoked. And I wish that there be no expression of opinion here as to whether there is or is not evidence, but that we all now demand an investigation of the whole House. [Applause.] The matter ought not to be delayed a minute. This is no time for us to quibble as to the authority of Mr. Crim, or his lack of authority. Neither an attorney appointed in that capacity, nor a United States District Attorney, has any authority whatever over the grand jury except to present evidence and to instruct in the law when they request it. He is absolutely prohibited from expressing any opinion to the grand jury as to what their findings ought to be. I presume he has obeyed the law—and we have no right to assume that he has not. He now comes back here with the names of two Members of this House who are said to be corrupt, and now is the time for us to demand an investigation, without a minute's delay.

The SPEAKER. The time of the gentleman from Tennessee has expired.

Mr. SNELL. I yield two minutes more to the gentleman from Tennessee.

Mr. GARRETT of Tennessee. I do not quite follow the logic of the gentleman from Wisconsin [Mr. COOPER], especially at the end of what he says. He says that the special prosecutor is prevented by law from having any authority over the grand jury, and then at the same time he states that the special prosecutor has come back with the names of two Members of the House and has given them out.

Mr. COOPER of Wisconsin. They are not names that he selected. They are the names of Members of this House selected by the grand jury in Chicago.

Mr. GARRETT of Tennessee. Precisely.

Mr. COOPER of Wisconsin. He has simply come back and reported their names.

Mr. HASTINGS. Mr. Chairman, will the gentleman yield?

Mr. GARRETT of Tennessee. Yes.

Mr. HASTINGS. In view of the statement of the gentleman from Wisconsin [Mr. COOPER], what does the gentleman from Tennessee think of the advisability of directing this resolution to the President rather than to the Attorney General, in view of the fact that the President has the information?

Mr. GARRETT of Tennessee. If the President has the information, he has it only by hearsay, and his statement to the House would be a "second-hand" statement.

Mr. HASTINGS. Why not direct it to this man Crim?

Mr. GARRETT of Tennessee. Of course the House is as much entitled to have it as the President is.

Mr. HASTINGS. Why not direct it to Mr. Crim, the special prosecutor?

Mr. GARRETT of Tennessee. We are entitled to have it from the Department of Justice, the same source from which the President is said to have obtained it. Why should we have to take second-hand statements? Legally, I doubt if Crim had any right to go to the President and give him information as to grand jury action, but since he chose to do so it would seem that he might recognize the fact that—I understand he is a very good lawyer—Congress itself has the right to inquire of him concerning charges to its own membership. I do not want to call upon the President for the names. We are entitled to them as a matter of right, certainly much more than the President is entitled to have them. [Applause.]

Mr. LONGWORTH. I certainly never said and I have no knowledge that Mr. Crim communicated the names to the President of the United States, and I do not think anybody has.



Mr. GARRETT of Tennessee. I have no knowledge of that, except such statements as the newspapers cover.

Mr. LONGWORTH. It is purely a rumor.

Mr. GARNER of Texas. Mr. Speaker, will the gentleman yield?

Mr. GARRETT of Tennessee. Yes.

Mr. GARNER of Texas. The gentleman has just made the statement, and I think correctly, that this House is entitled to the information requested in this resolution. Then why put the words in the resolution "if not incompatible with the public interest"? Let me call the attention of the gentleman to this: I have fought this out here a number of times on committees on which I have served. You never see any such language in Senate resolutions. A Cabinet officer is a creature of this House. Why should we insert that language in respect to information desired of a Cabinet officer? With the President we do use it. If we vote down the previous question, to be moved by the gentleman from New York [Mr. SNELL], we can then strike them out.

Mr. LONGWORTH. I rather hope the amendment will be offered before the previous question is ordered.

Mr. STEAGALL. I have such an amendment at the desk now, if the gentleman from New York will allow the amendment to be offered.

Mr. JONES. Mr. Speaker, will the gentleman yield?

Mr. GARRETT of Tennessee. If the gentleman will grant me two more minutes.

Mr. SNELL. I yield the gentleman from Tennessee two more minutes.

Mr. JONES. I suggest that according to the rules of the House this resolution should contain the word "direct" instead of the word "request."

Mr. GARRETT of Tennessee. It does say "direct."

Mr. SNELL. In answer to some inquiries made here I desire to say that I am credibly informed that Mr. Crim has not given these names to the President of the United States. I now yield two minutes to the gentleman from Alabama [Mr. BANKHEAD].

Mr. BANKHEAD. Mr. Speaker, I do not desire to take up the time of the House in undertaking to elaborate the statements already made. Of course this is a matter of supreme importance to the membership of the House itself and to the country, and I simply desire to suggest to the chairman of the committee that, although I do not want to be put in the attitude of appearing to object or opposing the resolution agreed to in committee, there has developed here a strong sentiment upon the floor of the House for the privilege of offering an amendment to the resolution which would strike out the words "if not incompatible with the public interest" and make it a direct demand upon the Attorney General.

Mr. STEAGALL. I have that amendment.

Mr. BANKHEAD. And I trust the chairman of the committee, before he moves the previous question, will give my colleague from Alabama [Mr. STEAGALL] an opportunity to offer that amendment.

Mr. BURTNES. Will the gentleman yield?

Mr. SNELL. I will.

Mr. BURTNES. The question is along the line suggested by the gentleman from Minnesota [Mr. NEWTON]. As I heard the resolution read it called for two things, namely, the names of the persons who are under suspicion, and secondly, the nature of the charges. That resolution could, therefore, properly be obeyed by simply sending in the report such as John Doe, bribery; Richard Roe, some other offense. The question in my mind is this, whether it might not be advisable to amend the resolution so as to ask not the nature of the charges, but the nature of the evidence or information upon which the report of the grand jury was made.

Mr. SNELL. If we tried to write in too many technicalities we may not get anywhere. We wanted to get something that is plain and direct. [Cries of "Vote!"]

Mr. STEAGALL. Will the gentleman yield me two minutes?

Mr. FRENCH. Mr. Speaker, will the gentleman yield?

Mr. SNELL. I will.

Mr. FRENCH. It has been stated that this procedure is new. It has not been brought out here just what would be done. Suppose the evidence indicated first the two names, and second, the nature of the charges, such statements may be wholly irresponsible and wholly false and they might blight the life of any man however upright. It would seem that we ought to define at this time something of the nature of the procedure, and it would seem that would be in the way of a committee to take charge of this matter rather than calling for names and the nature of evidence. This is not the finding and report of the grand jury.

Mr. SNELL. We have considered that very carefully, and it is impossible for us to go any further at this time until we know where we are at as provided for in this resolution.

Mr. FRENCH. What procedure would be had?

Mr. SNELL. I can not tell the gentleman until we get the information. It will have to be left to the judgment of the House. I yield two minutes to the gentleman from Alabama [Mr. STEAGALL].

Mr. STEAGALL. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk and ask that it be read.

The Clerk read as follows:

Amendment by Mr. STEAGALL: Strike out of the resolution the words "if not incompatible with the public interest."

Mr. STEAGALL. Mr. Speaker, I desire to consume only a few moments' time in discussing this matter. It was my intention when we met this morning to call the attention of the House to the situation in which we find ourselves, but I learned that the Rules Committee had the matter under consideration and would make some sort of report during the day. I think my amendment should be adopted and the special assistant in the Department of Justice should be required immediately to present to the House the names of the two Members at whom the Chicago grand jury report was directed. This House should be the judge of whether or not it is compatible with the public interest for the Department of Justice to furnish us with this information. These charges concern the House of Representatives above everybody else in this country. Nothing that can be done elsewhere or by any other body can be so important as the right of this House to deal with these charges. The Constitution empowers this House to expel a Member found guilty of corruption. No other action can compare to this in importance; no other punishment means so much to the public welfare as proper punishment administered by the House. The special attorney for the Department of Justice, according to newspaper reports, has given out a statement to the effect that he is not going to furnish this House with the names of the two Members against whom charges of corruption have been made, but that he is going to proceed elsewhere to investigate those charges, intimating that they would probably be the subject of grand jury investigation.

The President, according to the newspapers, issued a statement of very similar import. The power which the Constitution lodges in this House is put there for the purpose of protecting the country and the membership of this House against having its action influenced and legislation controlled by Members known to be corrupt. The important thing for this House and for the country is that we shall exercise the power intrusted to us under the Constitution and act for the public welfare. Are we to sit here for six months, or a year, or two years, or until the terms of every Member of this House shall expire, while a grand jury is dragging out an investigation of these charges, and the House be denied the information necessary to enable us to ascertain whether Members of the House are guilty of these charges which the press has carried from one end of the land to the other? It is our right, it is our prerogative, it is our duty to act for ourselves in this matter.

The Constitution gives us the power, and we ought to assert it by calling on the Assistant Attorney General or the special assistant in the Attorney General's office to give us this information immediately. He should be required to furnish it now and not left to decide whether he thinks it wise or best to do so. Nothing else the House can do can possibly approach this matter in importance both to the body and to the country. We ought not to lose a day or an hour in having this matter brought to the full understanding of this House and proper action taken on it. [Applause.]

The SPEAKER. The question is on agreeing to the amendment offered by the gentleman from Alabama.

The amendment was agreed to.

The SPEAKER. The question is on agreeing to the resolution as amended.

The resolution as amended was agreed to.

#### INTERIOR DEPARTMENT APPROPRIATION BILL.

Mr. CRAMTON, from the Committee on Appropriations, submitted for printing under the rule the conference report on the bill and accompanying statement (H. R. 5078) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1925, and for other purposes.

#### SOLDIERS' ADJUSTED COMPENSATION.

Mr. GRIFFIN. Mr. Speaker, I want to offer a suggestion in the nature of a real adjusted compensation proposal.

We agreed to pay the soldier who fought our battles \$30 per month. This is how we carried out our part of the contract:

First. We practically compelled him to insure his life—a life dedicated to his country—and deducted out of his meager pay the cost of the insurance. In other words, we made him pay for the risk he was taking in his country's cause. It is almost unbelievable that a sane country could ever have imposed such a penalty on patriotism.

The country insured its ships, its food and supplies, its munitions, its cannon and its shells, but the men of blood and flesh, who were to use them, were taxed heavily because they wore their country's uniform and were risking their lives in defense of the Nation's honor.

That was a foolish and unjust course to pursue. It has long been the practice of employers all over the country to carry the insurance of their employees—the theory being that the risk of the employee is the risk of the employer. How much greater was this true where the employer was the Government of the United States and the employees were the soldiers and sailors who were to offer their lives in the defense of their country?

But it is not too late to right the wrong, and we ought to do that first of all before we talk of a bonus.

Then we made our patriotic soldiers and sailors make allotments for the benefit of their dependents. Of course, we should never have drafted men with dependents. There never was any necessity for it. But we did it.

Now, the net result of these two mistakes was to reduce the pay of the soldiers at the front and in the camps by \$20 per month.

If we are honest about this talk of adjusted compensation; if we really mean what we say about adjusting their pay, let us return to every one of them the \$20 per month by which their agreed pay was unjustly diminished. That would be real adjusted compensation.

I do not say that that is enough. I do not say that we ought not later to go further; but before we do anything else we should first accord to them this measure of justice.

What will it amount to? On the average, \$270 to every enlisted man.

How will we do it?

By issuing to them certificates of indebtedness for the amount due them, with 4 per cent interest from November 30, 1918.

And I would not tag any strings on it. I would let them do whatever they damn please with it—negotiate, pledge, keep, or spend it.

What will it cost the Government?

Not a cent to-day except for the printing and distribution.

One year from the passage of this bill it will cost us about \$21,000,000 for interest and \$50,000,000 to go into a sinking fund for amortization. In 10 years the burden will have faded into nothingness.

I have had the proposal before Congress since March 29, 1920, as appears by the following summary:

*House bills introduced by Hon. Anthony J. Griffin, Member of Congress, of New York.*

Congress.	Number of bill.	Date of introduction.	Features.
Sixty-sixth.....	H. R. 13333...	Mar. 29, 1920	Return of war-risk insurance premiums and allotments.
Sixty-seventh..	H. R. 257.....	Apr. 11, 1921	Return of war-risk insurance premiums and allotments.
Sixty-seventh..	H. R. 10276...	Feb. 3, 1922	Return of war-risk insurance premiums and paid-up insurance.
Sixty-eighth...	H. R. 764.....	Dec. 5, 1923	Return of war-risk insurance premiums and allotments.
Sixty-eighth...	H. R. 7701....	Mar. 6, 1924	Return of war-risk insurance premiums and allotments with interest.
Sixty-eighth...	H. R. 7702....	Mar. 6, 1924	Return of war-risk insurance premiums and allotments with interest and paid-up insurance.

In the last two bills introduced to-day I have added interest from November 30, 1918, as a feature which will augment the average amount coming to the ex-service men by about \$40. Under my plan, therefore, the average payment will be about \$270 to each beneficiary.

I have also restored the insurance feature contained in my bill of February 3, 1922 (H. R. 10276). This is purely elective, but the offer is made attractive by increasing the face of the policy by 25 per cent.

But the vital and distinguishing factor in my bills has been the logical purpose to adjust the compensation of the ex-service men by restoring to them what was improperly deducted from their pay. If we owe them at all, as is so often stressed as though it were a mere business proposition, we owe them the

whole of the \$30 a month which we agreed to give them; and the only logical and strictly just way of paying that obligation is to restore to them the war-risk insurance premiums and the allotments deducted from their pay, with interest at 4 per cent from November 30, 1918.

#### MUSCLE SHOALS.

Mr. ALLEN. Mr. Speaker and gentlemen of the House, while the admirers of nature stand in awe and watch the many and wonderful developments take place in this great country others stand in fear and trembling that all the natural resources may be transferred to private interests for undue consideration.

Civilization is merely a product of cooperation, and cooperation grows out of contact—the contact of men with men and with the facts, forces, laws, and resources of nature.

When humanity first made its start along the winding and ever-widening pathway which we call history it attracted but little attention.

Compared with his surroundings man was of but little concern and placed in rather an embarrassing position to achieve mere existence. However, he had some advantages that the lower animals did not possess. He possessed reason and had a creative instinct.

He possessed the same thought that his descendants of to-day have, and achieved the same ambition to do something, get ahead. By bringing his mind and muscles in cooperation he began to progress.

When the great Creator fashioned this universe He formed the surface of this earth rather uneven, and purposely so, in order to meet all the requirements which it took to satisfy the many curiosities of man. He made the mountain peaks with descending slopes that sediment might automatically be delivered to the plains below; the streams to be a drainage system for the water which might be collected in the valleys; these peculiar formations were not especially adapted to any one continent or country, but found in all countries; thus it so happened that Muscle Shoals appears on the map to bring about so much argument and contention.

This disposition of nature has come into prominence and is destined to be of very great use to man unless selfishness and jealousy predominate and retard its progress.

It takes a man quite a while to ascertain what is placed at his command and convenience, and after this is discovered it still takes time to develop and place at the service of the public what nature intended for all to enjoy. And then often such circumstances so prevail as to allow special privileges to predominate over equal rights. Will it be so with Muscle Shoals, which, if properly developed, equitably utilized, will be of vast importance to all the people of the Government; fertilizer will be manufactured and delivered to every State in the Union for the use and benefit of the farmer and grower at half the present cost. Moreover, many other articles of usefulness in every home will be manufactured.

This great plant if carried on to completion will not only be a benefit to all who live in a radius of 500 miles, but will be an example and model for many other similar projects to be started on other waterways in the country.

When some great genius appears and places his ideas in operation in some form of usefulness, the ideas released are immediately put in operation by other persons in other places, thus everybody receiving a benefit thereby.

Now, this great project of nature's own design which is partially developed and the completion of which is creating more or less contention and criticism is far from having reached a conclusion.

The Muscle Shoals properly crystallized and a definite conclusion ascertained such as would meet with universal approval and prove in the end to have been the right conclusion would mean a great profit to a large number of people.

The question before the House is whether or not Mr. Ford, a person who has clearly demonstrated to the world that he has made, so far as wealth is concerned, the greatest success of any living person, is clearly capable and able to take this proposition of Muscle Shoals, bring it to a completion, set it in operation, render it productive and very useful, should be granted the rights and privileges to do so. We will admit it is a very large responsibility for us to turn over to anyone that gigantic proposition, to turn over the power which belongs to 110,000,000 people to a single individual, or a corporation to be controlled by an individual; but if there is no other person or body of persons who will accept it and take the same responsibility, what other course is there open to us?

The question naturally arises, Why do not other concerns or other private individuals make investigation and come in com-



petition with Mr. Ford? It seems that the great and paramount difficulty is that it is beyond the power of most concerns, and then there are others who would like to see the Government continue to own, complete, and operate the plant, with hope that it would not be successful in its operation and the production of fertilizer, which, if produced and placed on the market, would be very harmful to other nitrate and fertilizer concerns.

The contract seems to be a fair and equitable one and not open to or subject to fraud, and if not accepted the only alternative is Government ownership and operation, which, in view of the character of the project, would be, in the minds of many, not only a failure but disaster and disappointment to the hopes of the farmers and other users of commercial fertilizers.

The proper course, in my opinion, is to sell this tangible project to private individuals or to some corporation on such conditions as Congress has prescribed, lease the power for a reasonable and equitable rental, give American capital and ingenuity an opportunity to work for the benefit and welfare of humanity, where a great water power can be developed, reserving such rights and privileges as the Government thinks would be useful to it in time of need, and at the same time giving an opportunity for relief, not only to this great Southland but to the entire country, by making a high grade of fertilizer at a reasonable price.

Inasmuch as a number of other speakers have vividly presented facts in the way of figures to show the cost of the equipment and the terms of the lease, I will not consume the time to make a restatement of that which has been so clearly set forth.

In conclusion, may we be permitted to view the situation from an unselfish and unbiased mind. This great enterprise, Muscle Shoals, on which the vision of this entire country is focused, is on and is a part of one of our great inland waterways, the Tennessee River, many miles in length, flowing through a wonderful farming country, the draining system for millions of acres of fertile land, which comprise a portion of the great Cotton Belt, which has not only clothed America but inhabitants of other countries for many years, and the long-continued use of this once fertile soil has greatly weakened it in fertility. In other portions of the country, for hundreds of miles in every direction, the lands which have been cultivated for, lo, these many years have, also, become very greatly weakened and badly in need of rehabilitation. The virgin plains of the great West are rapidly losing their strength and falling in production and are much in need of high-class fertilizer to replenish them and again bring them back to their own former strength.

Looking at the situation from an unselfish angle and in the manner thus presented, we are considering only the welfare of the entire people of this Government, and trusting that whatever is done will be done in a patriotic spirit and to accomplish a substantial relief for all who are engaged in agriculture or in a position to be a user of the products of agriculture.

It seems to me that, considering the situation as a whole, the greatest amount of good will be rendered to the largest number of people by passing the bill or resolution which is now under consideration, and I therefore urge its passage. [Applause.]

#### AMENDMENT OF THE REVENUE ACT OF 1921.

Mr. GREEN of Iowa. Mr. Speaker, I call up a privileged bill, H. R. 6901, with reference to credits and refunds of taxes.

The SPEAKER. The gentleman from Iowa calls up for consideration the bill H. R. 6901, claiming that it is privileged. The Clerk will report it by title.

Mr. HOWARD of Nebraska. Mr. Speaker, let us hear what it is.

The SPEAKER. The Chair does not know. The gentleman from Iowa claims it is privileged.

Mr. GARNER of Texas. Mr. Speaker, it is a unanimous report from the Committee on Ways and Means, and it merely seeks to extend the present law respecting the claims of the taxpayers. It has to come in by the 15th of March in order to be of any value.

The SPEAKER. The Clerk will report it.

The Clerk read as follows:

A bill (H. R. 6901) to amend the revenue act of 1921.

Be it enacted, etc., That the time within which a taxpayer, who, at the time of the passage of this act, is entitled to file a claim for refund under section 252 of the revenue act of 1921, as amended by the act of March 4, 1923, is hereby extended to and including April 1, 1925: *Provided*, That such taxpayer has filed, prior to filing such claim, or shall file therewith, a waiver extending to and including April 1, 1923, the time for the Commissioner of Internal Revenue to make an addi-

tional assessment for the year or years to which the claim for refund relates: *Provided further*, That nothing herein shall in any way abridge or affect the right of a taxpayer under the first proviso of the said section 252 of the revenue act of 1921 as amended by the act of March 4, 1923, to file a refund claim before the expiration of two years from the time the tax was paid.

With a committee amendment, as follows:

Strike out all after the enacting clause, and insert:

"That the second proviso of subdivision (a) of section 252 of the revenue act of 1921 as amended by the act entitled 'An act to amend the revenue act of 1921 in respect to credits and refunds,' approved March 4, 1923, is amended to read as follows: '*Provided further*, That if the taxpayer has, within five years from the time the return for the taxable year 1917 was due, filed a waiver of his right to have the taxes due for such taxable year determined and assessed within five years after the return was filed, or if he has, on or before June 15, 1924, filed such a waiver in respect of the taxes due for the taxable year 1918, then such credit or refund relating to the taxes for the year in respect of which the waiver was filed shall be allowed or made if claim therefor is filed either on or before April 1, 1925, or within two years from the time the tax was paid.'"

The SPEAKER. Without objection, the bill will be considered in the House as in Committee of the Whole.

There was no objection.

The SPEAKER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill as amended.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

The SPEAKER. Without objection, the title will be amended so as to read: "A bill to amend section 252 of the revenue act of 1921 in respect of credits and refunds."

There was no objection.

On motion of Mr. GREEN of Iowa, a motion to reconsider the vote whereby the bill was passed was laid on the table.

#### THE CUSTOMS SERVICE.

Mr. MacGREGOR. Mr. Speaker, when the great American subject of the tariff is being discussed by the people in political campaigns, and the arguments pro and con are being made as to a low or high tariff and the effect upon American prosperity, little thought is given to the matter of the machinery to make the tariff effective either as a matter of protection for American industry or as a source of revenue for the carrying on of the Government.

It is appreciated in a general way that the tariff or duty must be collected, but as to the manner and means of doing it that is a matter of detail that the general taxpayer thinks little about.

The administration of a tariff act involves great detail. The effective administration of it can only be accomplished by men of intelligence, honesty, and energy. It is not a simple task. The men who do the real work must have a thorough knowledge of the provisions of the law; they must have wide knowledge of merchandise; they must be painstaking; their integrity must be beyond reproach, and they must be imbued with the zeal of service.

Outside of the receipts from income taxes, the receipts from the duties upon imported merchandise constitute the largest source of revenue for the carrying on of the Government.

#### Customs receipts.

	Receipts.	Expenses of collection.	Per cent.	Imports.
1911.....	\$314,497,071.24	\$11,015,254.24	3.50	\$1,532,359,190.00
1912.....	311,321,672.22	10,804,979.15	3.47	1,818,073,055.00
1913.....	318,891,395.86	10,285,613.95	3.23	1,792,596,480.00
1914.....	292,320,014.51	9,804,771.72	3.35	1,789,276,001.00
1915.....	209,786,672.21	9,288,403.58	4.42	1,778,596,695.00
1916.....	213,185,845.63	9,074,471.95	4.26	2,391,635,335.00
1917.....	225,962,393.38	9,850,189.63	4.36	2,952,467,955.00
1918.....	182,758,988.71	9,836,325.53	5.38	3,031,212,710.00
1919.....	183,428,624.78	10,020,851.28	5.46	3,904,364,032.00
1920.....	323,536,559.00	10,023,315.00	3.09	5,278,481,490.00
1921.....	308,025,102.00	10,813,748.00	3.51	2,509,147,670.00
1922.....	367,544,712.00	11,174,399.00	3.12	2,608,009,008.00
1923.....	562,189,039.00	11,651,166.00	2.07	3,781,259,144.00

It will be noted that the customs receipts for the fiscal year 1923 were the largest collected during any fiscal year and exceeded the receipts of the previous year by approximately \$204,644,000.

The imports during the year 1923 were valued at approximately \$3,781,000,000, an increase of \$1,173,000,000 over the value of the imports during the preceding year.

The maintenance of the service, notwithstanding the tremendous increase in amount of work, was increased only \$493,579.

The cost of collection of duties was reduced from 347 mills per dollar to 231 mills.

Notwithstanding the enormous increase in value of imports and the amount of duties collected, the number of employees in the customs service has been decreased since 1911:

Fiscal year.	Number of employees.	Imports.	Receipts.
1911.....	8,089	\$1,527,226,105.00	\$314,497,071.24
1914.....	7,577	1,898,925,657.00	292,329,014.51
1922.....	6,659	2,608,009,008.00	357,544,712.00
1923.....	7,171	3,781,259,114.00	562,189,039.00

The efficiency and morale of the customs service is rapidly deteriorating. The pay is not sufficient to maintain a family upon. There has not been an increase in salary to meet the competition with other lines of effort.

The rate at present is as follows:

*Rates of compensation and number of employees.*

\$301-\$999.....	249
\$1,000-\$1,199.....	844
\$1,200-\$1,399.....	1,292
\$1,400-\$1,599.....	1,203
\$1,600-\$1,799.....	805
\$1,800-\$1,999.....	789
\$2,000-\$2,199.....	760
\$2,200-\$2,399.....	170
\$2,400-\$2,599.....	813
\$2,600-\$2,799.....	23
\$2,800-\$2,999.....	88
\$3,000-\$3,199.....	93
\$3,200-\$3,399.....	93
\$3,400-\$3,599.....	36
\$3,600-\$3,799.....	49
\$3,800-\$3,999.....	29
\$4,000-\$4,199.....	1
\$4,200-\$4,399.....	26
\$4,400, etc.....	18
Total.....	6,754

In the Buffalo district, which I represent, there are 106 full-time customs employees. Of these, there are 22 at \$1,640 per year, three at \$1,600, 39 at \$1,460, 1 at \$1,380, 17 at \$1,277.50, 2 at \$1,200, 1 at \$900, and 2 at \$840. The average salary is \$1,376 per year. Most of these men are required to be men of ability and wide knowledge.

The collector of the port of Buffalo, in writing to me upon the subject, says:

Let me impress upon you that the customs service is made up of a body of highly trained and conscientious men. I make bold to say that the customs laws and other laws and regulations which the customs officer is required to know—and know accurately—are quite as complicated, quite as technical as are those of the legal profession, the medical profession, or the scientific profession, and the judgment required of the ordinary customs officer is quite equal to that of the successful business man.

Understand further that the customs force in this district, at least, is required to work seven days in the week, much of this being night work; fully one-third of the work is night work.

Rarely is the customs man able to take his Thanksgiving dinner, his Christmas dinner, or his New Year's dinner with his family. His Fourth of July fireworks are enjoyed in a railroad yard far removed from his wife and children. Lucky, indeed, is the customs man if he is able to accompany his family to church on Sunday.

Let me add finally that if something is not done the whole morale will be broken down, because we are finding it more difficult every day to maintain our force on our present average compensation of \$1,376.

Compare the scale of pay of customs employees with the scale in other employment. The following table appeared in the New York Times in December, 1923:

*Wage increases in 9 years.*

Classification of worker.	Daily wage.		Per cent increases.
	1914	1923	
Glaziers.....	\$3.14	\$10.00	218.5
Electrical workers' helpers.....	2.20	6.50	195.4
Cement masons' laborers.....	2.62	7.50	186.2

*Wage increases in 9 years—Continued.*

Classification of worker.	Daily wage.		Per cent increases.
	1914	1923	
House shorers.....	\$3.68	\$10.00	171.7
Bricklayers' laborers.....	3.00	8.00	166.6
Steam fitters' helpers.....	3.00	8.00	166.6
Asbestos workers' helpers.....	3.00	8.00	166.6
Plasterers' laborers.....	3.25	8.50	161.5
Composition roofers.....	3.50	9.00	157.1
Stone-bed rubbers, large side.....	3.50	9.00	157.1
Carpenters (Richmond).....	4.00	10.00	150.0
Stonemasons.....	4.80	12.00	150.0
Painters and decorators.....	4.00	10.00	150.0
Stonehand rubbers, etc.....	2.75	6.80	147.2
Mosaic helpers.....	3.25	8.00	146.1
Derrickmen and riggers.....	4.00	9.50	137.5
Stone, crane operators, etc.....	3.00	7.10	136.6
Art-glass workers.....	3.82	9.00	135.6
Elevator constructors' helpers.....	3.40	8.00	135.3
Tile layers' helpers.....	3.00	7.00	133.3
Marble workers' helpers.....	3.50	8.00	128.5
Housesmith finishers' helpers.....	2.50	8.00	128.5
Stone-bed rubbers, rear side.....	3.50	8.00	128.5
Carpenters (Bronx, Brooklyn, Queens).....	4.50	10.00	122.2
Mosaic workers.....	4.50	10.00	122.2
Roofers, slate.....	5.50	12.00	118.1
Plasterers.....	5.50	12.00	118.1
Marble polishers.....	4.40	9.50	115.9
Stone sawyers.....	3.50	7.45	112.8
Asbestos workers.....	4.75	10.00	110.5
Electrical workers.....	4.80	10.00	108.3
Marble sawyers.....	4.68	9.50	102.9
Housesmiths, structural.....	5.00	10.00	100.0
Housesmiths, finishers.....	5.00	10.00	100.0
Cement masons.....	5.00	10.00	100.0
Carpenters (Manhattan).....	5.00	10.00	100.0
Metallic fathers.....	5.00	10.00	100.0
Sheet-metal workers.....	5.00	10.00	100.0
Engineers, hoisting.....	6.00	12.00	100.0
Bricklayers.....	6.00	12.00	100.0
Stone setters.....	6.00	12.00	100.0
Marble carvers.....	6.00	12.00	100.0
Stone planersmen.....	4.25	8.35	96.4
Marble-bed rubbers.....	4.95	9.50	91.9
Marble cutters and setters.....	5.50	10.50	90.9
Elevator constructors.....	5.28	10.00	89.3
Plumbers.....	5.50	10.00	81.8
Steam fitters.....	5.50	10.00	81.8
Stonecutters.....	5.50	10.00	81.8
Tile layers.....	5.50	10.00	81.8

The entrance salary for clerks in the customs service in the New York district is \$1,000. It is upon men of the type who are willing to work for that pay that the service rests. Under the law when there is a vacancy in a higher grade, the vacancy must be filled from those in the lower grade if certified by the Civil Service Commission.

It is not possible to go out and pick up men who are capable of doing the work in the service. They should be men trained in the service. If the foundation upon which the service rests is not solid it is not difficult to appreciate what is going to happen unless an adequate compensation is given to call competent men into the service.

It has been reported to me that men are leaving the service every day, and that it is not possible to secure men equipped to take their places.

A statement recently submitted by Assistant Secretary of the Treasury Moss is instructive:

The comparative outside commercial salary scale runs from 40 to 200 per cent higher for these places. For illustration, guards, checkers, and inspectors get from \$5 to \$10 per diem, as compared with our \$3 to \$6 scale. Liquidators, withdrawal clerks, and entry clerks get at least 50 per cent more in commercial life. Merchandise examiners, with a salary range here of \$1,500 to \$3,500, are receiving outside salaries from \$3,000 to \$15,000. Many of our best examiners have left the customs service because of outside bidding for their service.

As examples of the gains customs employees have obtained by going into private business may be mentioned:

D. W., an examiner of oriental merchandise, receiving maximum compensation of \$3,500 per annum; now customs adviser of an established oriental importing firm at a salary of \$15,000 per annum and participation in profits.

A. M., a clerk to an examiner, receiving \$1,800 per annum, resigned to accept \$3,000 per annum with D. W., and now receiving \$3,000 per annum.

D. L., formerly examiner of silk wearing apparel at maximum Government salary, \$3,500 per annum, now head of glove department of large manufacturing and importing concern, at \$15,000 per annum.

P. McG., formerly examiner of silk fabrics at \$3,000 per annum, now customs broker, netted in 1923, \$18,000.

G. F. L., formerly law clerk and assistant attorney, at \$3,500 per annum, now member of established law firm; net earnings 1923, \$14,000, plus participation in profits.



The situation is summarized by Secretary Mellon:

The more I have looked into this question of the compensation in the customs service the more I have been impressed with the absolute necessity of relief. It is a highly technical service. It requires men of considerable education. They have to understand the laws and the regulations, and the amount of revenue collected depends very largely on their knowledge. The employment of incompetent men there may make a great deal of difference in the actual collection of the revenue. The salaries for a number of years have been very much below the salaries of similar occupations. They are about one-half of the salaries paid to people alongside who are doing work of a similar character; and the men have been looking forward to an increase and have been led to believe that there would be an increase. The consequence of all that is that the morale of the service is going down and has been going down for several years, and it is cumulative, and it has now reached a point where it is really serious.

The men are going out and, of course, getting very much better compensation; and it has come to this, too, that it is impossible to recruit from a class of people capable of performing the duties of the service. The lists given to us are not eligibles at all; and why? Because it is impossible to get people there at the beginning rates who are at all capable. We can not get the talent that is necessary at the salaries paid.

The situation is absurd. An incompetent man in such a service is a financial loss to the Government and to the taxpayers. A competent man can justify proper pay. In the business world it is almost axiomatic that it is good business to pay good salaries. Why should the Government be so loathe to apply business principles to the conduct of its business?

The Budget Bureau seems to be set upon awaiting the report of the reclassification board. Over a year has elapsed and that matter is still in the air. From the present outlook the customs service will have been totally demoralized before results are obtained from the reclassification act. Unless the reclassification proposition is settled in this Congress and appropriations made accordingly, no increases will probably be available until the fiscal year 1926.

The Secretary of the Treasury was authorized by chapter 251, signed March 4, 1923, to increase the pay of customs employees 30 per cent, but he can not do it unless funds are provided by Congress. He has worked out a proposal that the pay of the employees be increased 40 per cent for the lowest paid and working down to 10 per cent for the highest paid. The total amount of the increase for 6,754 employees would be \$3,313,075. The Senate has added \$2,500,000 to the pending appropriation bill covering the Treasury Department. This will go far toward relieving the situation.

Standing upon a technicality of the failure of the Reclassification Board to reclassify as to the field service, the Budget Bureau seems willing to stand by and see the customs service demoralized. It is unwilling to approve appropriations that the morale of that service may be maintained but is perfectly willing to approve the expenditure of millions upon millions additional for the attempted enforcement of the unpopular prohibition amendment, that has brought disaster and blight upon our land.

The deficiency bill that is shortly to come before the House carries an item of appropriation of approximately \$13,000,000 to provide a Coast Guard navy to engage in warfare against the enemy, rum.

The men in the customs service may go without bread, they may be obliged to live in hovels, their children may be denied education, their wives may not enjoy the ordinary pleasures and comforts of life, the collection of the customs to relieve the burdens of taxation upon the people and to protect the workingmen of the country from foreign competition may be abandoned or inefficiently done, but we must, regardless of any other consideration of sensible government, see to it that our people be protected against the Demon.

We will raise a new navy, to conduct open warfare with shot and shell, with destroyers and torpedo boats and mine sweepers, with a large personnel of officers and enlisted men. Our shores will reverberate with the sound of battle.

One item in the deficiency bill amounting to \$12,194,900 is for boats. Another item is for pay and allowances for officers and enlisted men, amounting to \$945,179.

It is proposed to transfer from the Navy to the Coast Guard 2 mine sweepers and 20 destroyers.

It is also proposed to construct 223 cabin cruiser motor boats.

The appropriation also provides for 149 additional commanders and lieutenant commanders, 419 additional warrant officers, and 3,789 enlisted men.

After they have spent this money the cost of maintenance estimated for each year is \$10,500,000.

Thus comes to pass that the prohibition department has an army and navy of its own.

Should once the world resolve to abolish

All that's ridiculous and foolish,

It would have nothing left to do.

—Butler.

Let us retain some semblance of common sense and not devote all of the taxpayers' money to endeavoring to prevent somebody from getting a drink. We have got the prohibition proposition upon our backs, and it is proper that while it is here that it be enforced, but why let the whole Government go to pot in doing it. It is much more important at the present moment to appropriate sufficient moneys to prevent the customs service from going to pieces. This is also true with reference to other branches of the Government service.

ADJOURNMENT.

Mr. LONGWORTH. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 23 minutes p. m.) the House adjourned until to-morrow, Friday, March 7, 1924, at 12 o'clock noon.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. GRAHAM of Pennsylvania: Committee on the Judiciary. H. Res. 155. A resolution requesting information from the Attorney General regarding special attorneys appointed during the year 1923, and for other purposes; with amendments (Rept. No. 266). Referred to the House Calendar.

Mr. GRAHAM of Pennsylvania: Committee on the Judiciary. H. Res. 162. A resolution requesting the Attorney General to furnish to the House of Representatives certain information regarding the \$500,000 appropriated by Congress to prosecute war frauds, and for other purposes; with amendments (Rept. No. 267). Referred to the House Calendar.

Mr. GARBER: Committee on Indian Affairs. H. R. 2887. A bill to authorize the extension of the period of restriction against alienation on the homestead allotments made to members of the Kansas or Kaw Tribe of Indians in Oklahoma; with an amendment (Rept. No. 269). Referred to the Committee of the Whole House on the state of the Union.

Mr. LEAVITT: Committee on Indian Affairs. H. R. 4835. A bill to pay tuition of Indian children in public schools; with an amendment (Rept. No. 270). Referred to the Committee of the Whole House on the state of the Union.

Mr. HOWARD of Oklahoma: Committee on Indian Affairs. H. R. 7077. A bill to amend an act entitled "An act to amend an act making appropriations for the current and contingent expenses of the Bureau of Indian Affairs, for fulfilling treaty stipulations with various Indian tribes, and for other purposes, for the fiscal year ending June 30, 1914," approved June 30, 1913," approved May 26, 1920; with amendments (Rept. No. 271). Referred to the Committee of the Whole House on the state of the Union.

#### REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. QUIN: Committee on Military Affairs. H. J. Res. 171. A resolution authorizing the Secretary of War to lease New Orleans quartermaster depot No. 2 to the New Orleans Association of Commerce; without amendment (Rept. No. 262). Referred to the Committee of the Whole House.

Mr. HILL of Alabama: Committee on Military Affairs. H. R. 3030. A bill to allow and credit the accounts of Albert J. Capron, formerly captain, Quartermaster Corps, United States Army, the sum of \$84.52, disallowed by the Comptroller General, United States; without amendment (Rept. No. 263). Referred to the Committee of the Whole House.

Mr. McLEOD: Committee on the District of Columbia. H. R. 4122. A bill to amend an act entitled "An act to revive, with amendments, an act to incorporate the Medical Society of the District of Columbia," approved July 7, 1838, as amended; with amendments (Rept. No. 264). Referred to the Committee of the Whole House.

Mr. WURZBACH: Committee on Military Affairs. H. R. 3453. A bill for the relief of the widow of Warren V. Howard; without amendment (Rept. No. 265). Referred to the Committee of the Whole House.



## PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. ANDREW: A bill (H. R. 7681) for the extension of the present site, if deemed advisable, or for the purchase of a new site and the erection of a Federal building at Gloucester, Mass.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 7682) to authorize the acquisition of a site and the erection of a Federal building at Salem, Mass.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 7683) to authorize the acquisition of a site and the erection of a Federal building at Haverhill, Mass.; to the Committee on Public Buildings and Grounds.

By Mr. ASWELL: A bill (H. R. 7684) to limit, select, and regulate the immigration of aliens into the United States; to the Committee on Immigration and Naturalization.

By Mr. EDMONDS: A bill (H. R. 7685) to amend and supplement the merchant marine act of 1920, and for other purposes; to the Committee on the Merchant Marine and Fisheries.

By Mr. JOHNSON of Washington: A bill (H. R. 7686) to amend the third paragraph of the second subdivision of section 4 of the act entitled "An act to establish a Bureau of Immigration and Naturalization, and to provide for a uniform rule for the naturalization of aliens throughout the United States," approved June 29, 1906, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. LEAVITT: A bill (H. R. 7687) conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and enter judgment in any claims which the Assiniboine Indians may have against the United States, and for other purposes; to the Committee on Indian Affairs.

By Mr. McREYNOLDS: A bill (H. R. 7688) to provide for the acquisition of a site and the erection thereon of a public building at South Pittsburg, Marion County, Tenn.; to the Committee on Public Buildings and Grounds.

By Mr. WELLER: A bill (H. R. 7689) to amend the national prohibition act; to the Committee on the Judiciary.

By Mr. WILLIAMSON: A bill (H. R. 7690) for the exchange of lands adjacent to national forests in South Dakota; to the Committee on the Public Lands.

By Mr. ANDREW: A bill (H. R. 7691) increasing the limit of cost of the Federal building at Newburyport, Mass.; to the Committee on Public Buildings and Grounds.

By Mr. HASTINGS: A bill (H. R. 7692) to amend section 15 of the act of Congress approved July 17, 1916, known as the Federal farm loan act; to the Committee on Banking and Currency.

By Mr. JACOBSTEIN: A bill (H. R. 7693) to provide adjusted compensation for veterans of the World War, and for other purposes; to the Committee on Ways and Means.

By Mr. SABATH: A bill (H. R. 7694) to facilitate commerce by prescribing overtime rates to be paid by transportation lines for inspection of arriving passengers and crews; to the Committee on Interstate and Foreign Commerce.

By Mr. SANDERS of Texas: A bill (H. R. 7695) to prevent the sale of cotton in future markets; to the Committee on Agriculture.

By Mr. SUTHERLAND: A bill (H. R. 7696) to amend section 11 of the act of Congress approved May 14, 1898 (30 Stats. L. pp. 409-415); to the Committee on the Public Lands.

By Mr. LINEBERGER: A bill (H. R. 7697) to amend section 7 of the act of February 9, 1909, as amended January 17, 1914, and for other purposes; to the Committee on Ways and Means.

By Mr. WOLFF: A bill (H. R. 7698) to regulate the transportation and importation of labor from one State to any point in another State where a labor disturbance or strike is then in progress; to the Committee on Labor.

By Mr. GIFFORD: A bill (H. R. 7699) providing for the conveyance to the town of Fairhaven, in the Commonwealth of Massachusetts, of a tract of land known as Fort Phoenix, for public use; to the Committee on Military Affairs.

By Mr. KAHN: A bill (H. R. 7700) authorizing and directing the Secretary of War to transfer to the Treasury Department for quarantine purposes that portion of La Costa Island, Fla., occupied by the Treasury Department as a quarantine station under revocable license from the War Department, dated January 27, 1903; to the Committee on Military Affairs.

By Mr. GRIFFIN: A bill (H. R. 7701) to provide for the return to soldiers, sailors, marines, and others serving in the United States forces during the World War the premiums deducted from their pay for war-risk insurance, and refunding of all allotments deducted from their pay, with interest from November 30, 1918, and the issuance of paid-up policies of insurance; to the Committee on Ways and Means.

Also, a bill (H. R. 7702) to provide for the return to soldiers, sailors, marines, and others serving in the United States forces during the World War the premiums deducted from their pay for war-risk insurance, and the refunding of all allotments for dependents deducted from their pay with interest from November 30, 1918; to the Committee on Ways and Means.

By Mr. RATHBONE: A bill (H. R. 7703) to authorize the remodeling and repairing of the building in which President Lincoln died, the erection of a monument or tablet to mark such building, and the purchase of the Oldroyd collection of Lincoln relics; to the Committee on Public Buildings and Grounds.

By Mr. ABERNETHY: A bill (H. R. 7704) to provide for an examination and survey of the channels from the inland waterway, Beaufort, N. C., beginning at a point where Gallants Channel connects with the inland waterway (P.S. to BI Channel) and via Gallants Channel and in front of the town of Beaufort and through Bulkhead Shoal to the main inlet, with a view of securing a depth of 12 feet of water in said channels; to the Committee on Rivers and Harbors.

By Mr. ANDREW: Concurrent resolution (H. Con. Res. 15) recommending durable markers for American military graves in Europe, resembling in design to the war-time markers; to the Committee on Military Affairs.

By Mr. MOREHEAD: Resolution (H. Res. 209) to investigate the expenditure of Federal aid to construction of good roads; to the Committee on Rules.

By Mr. CRISP: Resolution (H. Res. 210) requesting the President to furnish to the House of Representatives the names of the two Members of Congress referred to in the report of the Federal grand jury in Chicago; to the Committee on the Judiciary.

By Mr. ANDREW: Memorial of the legislature of the State of Massachusetts favoring an amendment to the Constitution of the United States authorizing Congress to enact a uniform child labor law; to the Committee on the Judiciary.

Also, memorial of the legislature of the State of Massachusetts favoring the passage by Congress of legislation relative to the retirement of disabled emergency officers of the United States Army; to the Committee on Military Affairs.

By Mr. O'CONNOR of New York: Memorial of the Legislature of the State of New York urging Congress to speedily enact legislation calculated to equalize disability pay to veterans of all wars; to the Committee on Pensions.

Also, memorial of the Legislature of the State of New York petitioning Congress to enact legislation calculated to equalize disability pay to veterans of all wars; to the Committee on Pensions.

By Mr. CULLEN: Memorial of the Legislature of the State of New York urging the Congress of the United States to enact legislation calculated to equalize disability pay to veterans of all wars, whereas there is a considerable difference under the provisions of various Federal statutes in the payment of disability awards made to veterans of various wars, such difference being especially noticeable in the case of the veterans of the Spanish-American War; to the Committee on Pensions.

## PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ARNOLD: A bill (H. R. 7705) granting a pension to Mary Guy; to the Committee on Invalid Pensions.

By Mr. CORNING: A bill (H. R. 7706) granting a pension to Amy E. Sagendorf; to the Committee on Invalid Pensions.

By Mr. DALLINGER: A bill (H. R. 7707) granting a pension to Mary L. Young; to the Committee on Invalid Pensions.

By Mr. DENISON: A bill (H. R. 7708) to provide for an examination and survey of the Big Muddy River in Illinois; to the Committee on Rivers and Harbors.

By Mr. DYER: A bill (H. R. 7709) granting a pension to Wilhelmina Weiss Dietrich; to the Committee on Invalid Pensions.

By Mr. FROTHINGHAM: A bill (H. R. 7710) authorizing the President to issue an appropriate commission and honorable discharge to Joseph B. Maccabe; to the Committee on Military Affairs.

By Mr. GARDNER of Indiana: A bill (H. R. 7711) granting a pension to Alfred Tillery; to the Committee on Invalid Pensions.

By Mr. LEA of California: A bill (H. R. 7712) for the relief of Charles Wall; to the Committee on Naval Affairs.

By Mr. McREYNOLDS: A bill (H. R. 7713) for the relief of Walter L. Watkins, alias Harry Austin; to the Committee on Military Affairs.



By Mr. MAPES: A bill (H. R. 7714) granting a pension to Tiena Grunst; to the Committee on Pensions.

By Mr. PARKER: A bill (H. R. 7715) authorizing the War Department to donate a trophy cannon to be placed in a park in Waterford, N. Y.; to the Committee on Military Affairs.

By Mr. RAMSEYER: A bill (H. R. 7716) granting a pension to Frances R. Swails; to the Committee on Invalid Pensions.

By Mr. SCHALL: A bill (H. R. 7717) granting a pension to James M. Arnold; to the Committee on Pensions.

By Mr. SHERWOOD: A bill (H. R. 7718) granting a pension to Barbara Schlatter; to the Committee on Invalid Pensions.

By Mr. STEPHENS: A bill (H. R. 7719) granting a pension to Kate Rudicill; to the Committee on Invalid Pensions.

By Mr. THOMAS of Oklahoma: A bill (H. R. 7720) for the relief of Ivy L. Merrill; to the Committee on Claims.

By Mr. VAILE: A bill (H. R. 7721) granting an increase of pension to Annie M. Ware; to the Committee on Invalid Pensions.

By Mr. WILSON of Indiana: A bill (H. R. 7722) granting an increase of pension to Sopha Brown; to the Committee on Invalid Pensions.

By Mr. WOLFF: A bill (H. R. 7723) to make a preliminary survey of the Mississippi River between Kimmswick and Wittenberg, Mo., with a view to the control of the floods; to the Committee on Flood Control.

By Mr. WOOD: A bill (H. R. 7724) granting a pension to Sarah F. Williams; to the Committee on Pensions.

Also, a bill (H. R. 7725) granting an increase of pension to Richie Arvilla Holmes; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7726) granting a pension to Daisy F. Mosier; to the Committee on Invalid Pensions.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1540. By the SPEAKER (by request): Petition of adult Indians on the Colville Indian Reservation, protesting against patented Indians receiving money from the tribal funds; to the Committee on Indian Affairs.

1541. Also (by request), petition of citizens of Logan County, Ky., favoring the passage of the adjusted compensation bill; to the Committee on Ways and Means.

1542. By Mr. ALDRICH: Petition of Loggia Prata Sannita, No. 888, Order Sons of Italy, of Providence, R. I., protesting against passage of Johnson immigration bill; to the Committee on Immigration and Naturalization.

1543. Also, petition of Roosevelt Lodge, Order of Sons of Italy, Providence, R. I., protesting against the passage of the Johnson immigration bill; to the Committee on Immigration and Naturalization.

1544. By Mr. BRIGGS: Petition of Judge DuVal West, United States district judge, San Antonio, Tex., relative to court relief in the western district of Texas; to the Committee on the Judiciary.

1545. Also, petition of Texas Carnegie Steel Association, Galveston, Tex., urging passage of House bill 6058; to the Committee on Interstate and Foreign Commerce.

1546. Also, petition of Mr. D. J. Pruett and others, of Galveston, Tex., asking support of measure prohibiting any taxation or charge for broadcasting of music from radio broadcasting stations; to the Committee on Ways and Means.

1547. By Mr. CONNERY: Petition of the Gold Star Association of America, that Congress be asked to make necessary appropriation to meet the expense of allowing fathers, mothers, or wives of deceased soldiers buried in France to visit the last resting place of their dead; to the Committee on Military Affairs.

1548. Also, petition of convention of Sportsmen's Club of Massachusetts, indorsing game refuge-public shooting ground bill (H. R. 745); to the Committee on Agriculture.

1549. By Mr. CULLEN: Petition of Jewish veterans of the wars of the Republic, New York City, N. Y., requesting Members of Congress to place no further restrictions upon the entry of the unfortunate people who are seeking the opportunity of participating in these liberties which they have fought to help preserve; to the Committee on Immigration and Naturalization.

1550. Also, petition of the community councils of the city of New York, desiring to be recorded as being heartily in favor of increases in salary for the employees of the Postal Service; to the Committee on the Post Office and Post Roads.

1551. Also, petition of the board of aldermen of the city of New York, resolving that the Congress be, and hereby is, respectfully memorialized to defeat the Johnson immigration restriction bill, and in its stead to enact such provision of law

as will liberalize the policy of the Government in respect to immigrants; to the Committee on Immigration and Naturalization.

1552. Also, petition of the American Association for the Recognition of the Irish Republic, who, in commemoration of the anniversary of Ireland's immortal hero, Robert Emmet, respectfully protest against any entertainment by our National Government of proposals for the recognition of a diplomatic representative from the so-called Irish Free State government—a provincial assembly deliberately set up by England to partition the small but ancient nation of Ireland; and call upon the President to demand, through the Secretary of State, from Premier MacDonald, of England, a definition of the citizenship status of the Hon. Eamon De Valera, who, though born in New York and a freeman of many American cities, is detained, untried, and in solitary confinement in one of the Irish prisons of King George V; to the Committee on Foreign Affairs.

1553. By Mr. FENN: Petition of the American Legion, Department of Connecticut, opposing the fixing of any time limit for the filing of mental cases arising from service in the late World War; to the Committee on World War Veterans' Legislation.

1554. Also, petition of the American Legion, Department of Connecticut, favoring a five-year limit in the proving of service origin of all tubercular cases; to the Committee on World War Veterans' Legislation.

1555. By Mr. GARBER: Petition of W. I. Drummond, chairman board of governors International Farm Congress of America, Kansas City, Mo., presenting data showing the majority of the farmers of the country are against the Ford offer for Muscle Shoals; to the Committee on Military Affairs.

1556. By Mr. GALLIVAN: Petition of Amos Lodge, No. 27, Independent Order of B'nai Brith, Boston, Mass., protesting against the Johnson immigration bill; to the Committee on Immigration and Naturalization.

1557. By Mr. JARRETT: Petition of the White Cross Society of Seattle, Wash., adopted by the board of directors of the Chamber of Commerce of Honolulu, Hawaii, approving the results secured by the special commission on narcotics; to the Committee on Foreign Affairs.

1558. By Mr. LEAVITT: Petition of representatives of 502 National Farm Loan Associations in Montana, Washington, Idaho, and Oregon, urging passage of the McNary-Haugen export corporation bill; to the Committee on Agriculture.

1559. By Mr. MOONEY: Petition of mass meeting of Lithuanians held in the Lithuanian Societies Hall, Cleveland, Ohio, urging the United States Government to take steps to see that the Memel district continues to remain an integral part of Lithuania; to the Committee on Foreign Affairs.

1560. By Mr. NEWTON of Minnesota: Petition of Clinton R. Hunt on behalf of members of the tenth division of Railway Mail Association, urging support and passage of the Kelly-Edge bill and Senate bill 1898; to the Committee on the Post Office and Post Roads.

1561. By Mr. O'CONNELL of Rhode Island: Petition of members of the Roosevelt Lodge, No. 1270, Sons of Italy in America, of Rhode Island, opposing the Johnson immigration bill; to the Committee on Immigration and Naturalization.

1562. Also, petition of members of the Loggia Prata Sannita, No. 888, of Providence, R. I., opposing the Johnson immigration bill; to the Committee on Immigration and Naturalization.

1563. By Mr. ROBINSON of Iowa: Petition of citizens of Dubuque, Iowa, favoring the enactment into law of the Brookhart-Hull bill (S. 742 and H. R. 2702); to the Committee on Naval Affairs.

1564. By Mr. SABATH: Petition of the city council of the city of Chicago, urging Congress to give favorable consideration to legislation providing for a flow of 10,000 cubic feet per second through the main channel of the sanitary district canal; to the Committee on Rivers and Harbors.

1565. Also, petition of the city council of the city of Chicago, Ill., favoring an amendment to the transportation act of 1920 as will divest the Interstate Commerce Commission of any jurisdiction over rates of depreciation to be charged by local telephone companies; to the Committee on Interstate and Foreign Commerce.

1566. By Mr. STRONG of Pennsylvania: Petition of members of the American Legion Auxiliary, Unit No. 454, Rimersburg, Pa., and Unit 621, Marion Center, Pa., in favor of the adjusted compensation bill sponsored by the American Legion; to the Committee on Ways and Means.

1567. By Mr. TILSON: Petition of Connecticut Department, American Legion, for amendment of the war risk insurance act to remove the time limit for filing claims in mental disease cases; to the Committee on World War Veterans' Legislation.



1568. Also, petition of Connecticut Department, American Legion, for amendment to the war risk insurance act to extend the time limit for filing claims in tubercular cases; to the Committee on World War Veterans' Legislation.

1569. By Mr. TINKHAM: Petition of Amos Lodge, No. 27, I. O. B. B., Brookline, Mass., opposing the Johnson immigration bill; to the Committee on Immigration and Naturalization.

## SENATE.

FRIDAY, March 7, 1924.

(Legislative day of Thursday, March 6, 1924.)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

### NAMING A PRESIDING OFFICER.

The reading clerk (John C. Crockett) read the following communication:

UNITED STATES SENATE,  
PRESIDENT PRO TEMPORE,  
Washington, D. C., March 7, 1924.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. CHARLES CURTIS, a Senator from the State of Kansas, to perform the duties of the Chair this legislative day.

ALBERT B. CUMMINS,  
President pro tempore.

Mr. CURTIS thereupon took the chair as Presiding Officer.

### CALL OF THE ROLL.

Mr. OVERMAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The principal legislative clerk called the roll, and the following Senators answered to their names:

Adams	Edge	King	Shipstead
Ashurst	Ernst	Ladd	Shortridge
Ball	Ferris	Lodge	Simmons
Bayard	Fess	McKellar	Smoot
Borah	Fletcher	McLean	Stanfield
Brandegee	Frazier	McNary	Stanley
Brookhart	George	Mayfield	Stephens
Broussard	Gerry	Moses	Swanson
Bruce	Glass	Neely	Trammell
Bursum	Gooding	Norris	Wadsworth
Cameron	Hale	Oddie	Walsh, Mass.
Capper	Harrell	Overman	Walsh, Mont.
Caraway	Harris	Pepper	Warren
Colt	Harrison	Phipps	Watson
Copeland	Heflin	Pittman	Weller
Couzens	Howell	Ralston	Wheeler
Curtis	Johnson, Minn.	Ransdell	Willis
Dale	Jones, Wash.	Reed, Pa.	
Dial	Kendrick	Sheppard	
Dill	Keyes	Shields	

The PRESIDING OFFICER. Seventy-seven Senators have answered to their names. A quorum is present. The Senate resumes the consideration of House bill 6349, the pending appropriation bill.

### MESSAGE FROM THE HOUSE—ENROLLED JOINT RESOLUTION SIGNED.

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the Speaker of the House had signed the enrolled joint resolution (S. J. Res. 57) authorizing the erection on public grounds in the District of Columbia of a statue by Jose Clara personifying "Serenity," and it was thereupon signed by the Presiding Officer [Mr. CURTIS] as Acting President pro tempore.

### M'NEIL ISLAND PENITENTIARY.

Mr. DIAL. Mr. President, a few months ago a man was tried in the United States court in South Carolina and was sentenced to the McNeil Island Penitentiary on the coast of the Pacific Ocean. I criticized the Government officials for sending that man so far away from the place of trial. I did that for the purpose of finding out whether there was any law requiring such a sentence and to ascertain why he was not sentenced to a penitentiary nearer the place of trial. I took up the matter with the Attorney General's office and I am glad to have received a letter this morning which explains the matter and shows that it was not necessary to have entailed that expense upon the Government. I ask that the letter may be printed in the RECORD. I had intended to propose an amendment to the law, but under the circumstances it is not now necessary to do so.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF JUSTICE,  
OFFICE OF THE ATTORNEY GENERAL,  
Washington, D. C., March 1, 1924.

Hon. N. B. DIAL,

United States Senate, Washington, D. C.

DEAR SENATOR DIAL: The necessary information to enable the department to make a satisfactory reply to your letter of January 15, 1924, written with respect to the case of a prisoner who was sentenced by the United States judge for the eastern district of South Carolina to imprisonment in the United States penitentiary at McNeil Island, has very recently been received.

Careful investigation shows that the United States attorney for the eastern district of South Carolina held the erroneous impression that the McNeil Island Penitentiary had been designated for military prisoners sentenced to a term of more than 10 years. No record of such a designation can be found in the department. That no such designation was ever made is evident from the fact that the McNeil Island Penitentiary is not as well adapted for the incarceration of dangerous characters as either the Atlanta Penitentiary or the Leavenworth Penitentiary, since it has only a barbed-wire inclosure instead of a permanent wall. The district attorney evidently advised the court of the impression that he had, and the prisoner was sentenced without the department knowing of the action taken by the court.

It is the fixed policy of the department to incarcerate prisoners in the penitentiary nearest to the place of conviction.

Yours very truly,

A. T. SEYMOUR,  
Acting Attorney General.

### BRIGHT ANGEL TRAIL, GRAND CANYON NATIONAL PARK.

Mr. McNARY. Mr. President, I ask leave to have printed in the RECORD a letter dated March 5, 1924, from Hon. RALPH H. CAMERON, addressed to Hon. REED SMOOT, chairman Senate conferees on House bill 5078, the Interior Department appropriation bill, relative to an item appropriating \$100,000 for the purchase of the Bright Angel Trail, Grand Canyon National Park, Ariz.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The letter is as follows:

MARCH 5, 1924.

In re item appropriating \$100,000 for the purchase of the Bright Angel Trail, Grand Canyon National Park.

Hon. REED SMOOT,

Chairman Senate Conferees on H. R. 5078,  
United States Senate, Washington, D. C.

MY DEAR SENATOR: Section 2418 of the Revised Statutes of Arizona (1913), providing for the jurisdiction and powers of the board of supervisors, subsection 10, provides that the board shall have power to—

"sell at public auction at the courthouse door, after 30 days' previous notice given by publication in a newspaper in the county, and convey to the highest bidder for cash any property, real or personal, belonging to the county, paying the proceeds into the county treasury for the use of the county."

The proposed item in this bill provides that the said sum of \$100,000 if appropriated—

"to be available until expended for payment to the county of Coconino, State of Arizona, for the construction, under the supervision of the National Park Service, of a road from Mafine, Ariz., to the south boundary of the Grand Canyon National Park," etc.

It will be seen, therefore, that the proposed item of \$100,000 if appropriated will not be paid over to the county of Coconino and deposited in the county treasury. In other words, the consideration proposed to the county of Coconino for this toll road and trail is a remote promise to expend \$100,000 on a road almost wholly within forest areas.

Senator ASHURST in his remarks on this item on February 25, 1924, CONGRESSIONAL RECORD, page 3053, says:

"In other words, the \$100,000 proposed to be appropriated is not to be paid into the treasury of the county to become cash assets of the county; the \$100,000 will be expended, I repeat, under the supervision of the National Park Service for the construction of a road some 62 to 63 miles in length to the national park, from the great artery of auto traffic, the Santa Fe Trail, to the Grand Canyon."

Under the statutes of Arizona before the board of supervisors can sell real property—for instance, a road or trail—the same must under appropriate proceedings be declared no longer of a public use, be condemned, and then sold. According to the figures of the Department of the Interior, from October, 1922, to September 30, 1923, the number of persons who used this trail was 7,130, and the source of net revenue to the county was more than \$4,000. Can it be said, therefore, that this trail has no public use in order to come within the statute for condemnation?